The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Analysis of Problems Involved in War Between China and Japan

ARTICLES IN THIS ISSUE

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Japan's Armament to Repel Aggression in Western Pacific!

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(By the Review's Foochow Correspondent)

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China's "New Deal" County Near the Capital . By Frank W. Price

SATURDAY, MARCH 6, 1937 VOLUME 80, NUMBER 1

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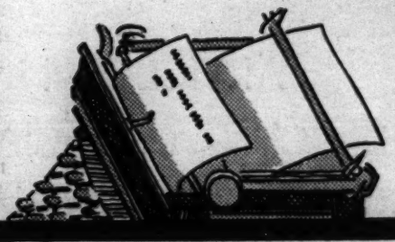

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The China Weekly REVIEW

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COULD JAPAN FIGHT CHINA—COULD CHINA OPPOSE JAPAN?

THROUGH an interesting coincidence, *The Review* publishes this week two notable articles pertaining to warfare between Japan and China. One article is based on Miss Freda Utley's recent book, "Japan's Feet of Clay," which exposes the weak spots in Japan's armor. The other article deals with China's construction of railways and highways from the standpoint of national defense against Japanese aggression. Neither article exposes any vital military secrets but they do point out fundamental problems involved in the issues of war and peace in the Far East.

The Japanese General Staff is now engaged in pushing through the Diet a military appropriation bill designed to provide Japan with funds to finance a 6-year program of war preparation. A member of the lower house in the Diet asked the War Minister which country he intended to fight —China or Russia? Gen. Sugiyama, War Minister, said that as Russia was making every effort to replenish her armament, it might become necessary for Japan to "suddenly revise" her 6-year program. Referring to China, Gen. Sugiyama declared that if the army definitely decided to prepare for war against China, it would be necessary to request "extremely huge appropriations." He expressed the hope, however, that the Japanese Government's announced policy toward China would be carried out. He did not specify which policy but Gen. Senjuro Hayashi, Premier, recently stated that the 3-point policy of the late Premier, Koki Hirota, would be continued, "although different methods would be used." What he probably had in mind was the program of economic cooperation now being pushed in North China where Japan enjoys "special relations," due to the nearness of that territory to the puppet state of Manchukuo.

Since the close of the plenary session of the Kuomintang Central Executive Committee there has been considerable discussion in the local news-

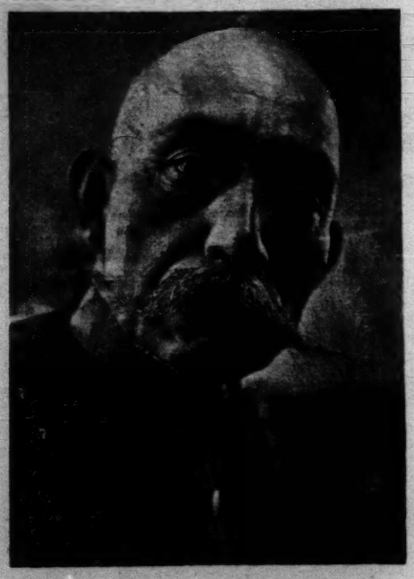
papers of a so-called 5-year plan of railway construction which was decided upon by the Nanking authorities. If the reports that such a plan was decided upon are correct the article in this week's issue of *The Review* provides an excellent background for understanding Nanking's objectives.

But will the Japanese General Staff permit China to complete her program? Obviously the Japanese Army would not await the completion of China's defense program were there no other elements involved. But there are other elements, plenty of them—Russia, United States, Britain—all arming as rapidly as possible and primarily because of the menace of Japan. Germany and Italy have now lined up alongside Japan but it was Japan which started the fashion of breaking treaties and seizing other people's territories back in 1931.

Japan's Feet of Clay—Can Nippon Fight a Major War?

JAPAN'S capacity to wage a major war, toward which she is being rapidly led by her military overlords, forms one of the most important riddles of modern times.

Are Japanese industries capable of standing the strain of a war with a great power? Will Japan have access to all the raw materials which her heavy industry will demand during the war? Can she mobilize the number of able-bodied men required by the conditions of modern warfare? Can she stand the financial strain of a major conflict? And, finally, are the internal conditions in Japan sufficiently stable to free the General Staff of all anxiety for the rear?



Gen. Senjuro Hayashi, Premier of Japan—Photo reproduced from *Time Magazine*.

Competent students of Nipponese phenomena answer these questions with an emphatic "No!". The latest addition to their ranks is Miss Freda Utley, whose "Japan's Feet of Clay" is a brilliant expose of the weak spots in Japan's armor.*

Miss Utley's thesis is simple. Japan is a colossus on feet of clay, which will crumble under the first external blow. Japan's strength lies in the fortunate blindness of the Great Powers to the wide fissures in her social, economic and political structure. And unless her bluff is called now, she will extend her control over sources of raw materials, which will give her the strength she now lacks.

*Miss Freda Utley's new book, "Japan's Feet of Clay," was published in London by Fulier and Faber, Limited. The book was issued in November, 1936, has 393 pages and retails at 15 shillings in London.

"Although armies still march on their stomachs", Miss Utley declares, "food is not all, and Japan has neither the bread and butter of industry, coal, iron and oil, nor abundant food supplies, nor other raw materials. Nor has she substantial foreign investments to finance her purchases of these abroad. Her industrial organization is weak, since heavy industry as a whole, and engineering in particular, are undeveloped, and since a very large proportion of her production of all goods comes from the workshops of artisans and from domestic industry where little machinery is used, and the waste of man power is very great.

"Japan is even more vulnerable in the matter of agriculture, since her primitive technique means shortage either of food or of man power in war time.

"At the same time the condition both of her peasantry and of her workers and lower middle classes makes Japan a country seething with unrest and rebellion, and the breaking point may come at any moment. The terrible poverty of the Japanese people and the revolutionary ferment amongst all classes, except a small circle of wealthy men, would certainly break out in social revolution if Japan suffered even one severe defeat, or found herself involved in a long and costly war, or even if she were faced with economic sanctions.

"Up to now the floodgates have been held back by Japan's military successes, by her success in flouting England and the U.S.A., and by the mirage of an end to poverty and hunger through foreign conquest. Any major reverse would force open the gates and Japan would be swept off her insecure foundation and submerged in the flood of revolt."

⁂

Japan's major weakness in any war *today* are her puny raw material resources and her extreme dependence on the markets of the British Empire and America. She lacks such essential war materials as iron and steel, manganese ore and other steel alloys, rubber, oil, cotton, wool, hides and copper. The annexation of Manchuria and the gradual Japonization of North China have im-

measurably improved her position, but she will not be able to reap the full benefits of her conquests for at least a decade.

Japan's food supplies are insufficient in time of peace. In war time this defficiency would become even sharper, for a rise in consumption would be paralleled by a fall in production, due to a decrease in the number of male farmers and lower output of fertilizers. Miss Utley, Yohan and Tanin (*If Japan Goes to War*) and other authorities may, however, possibly place undue emphasis on this point, since no hypothetical foe of Japan can threaten her sea routes to Manchuria or China, where she can obtain an abundance of food staples. Manchukuo and North China (where Nipponese military brain-trusters are feverishly developing natural resources) will also be able, although to a smaller extent, to supply Japan with coal, iron, cotton, wool, and hides.

Miss Utley, as do her Russian colleagues, computes the number of men Japan can put into the field in the first year of war at 2,500,000 strong. The total man-power reserves of Japan would, according to Miss Utley, last 2½ years of intensive warfare. One is perhaps again justified in challenging her figures on the possible number of casualties in, say, a Russo-Japanese war. The enormous losses borne by the armies fighting in France were due solely to the comparative smallness of the field of war. It is difficult to imagine the war conditions prevailing in Flanders in the mountains and steppes of Siberia, Mongolia and Manchuria.

Japan's next war, be it with Russia, China, Great Britain, or the United States, must be fought in long-distance, enveloping maneuvers,—not in close-range clashes that featured the last European holocaust. In her conflict with Russia, Japan will attack simultaneously in five or six points, along a 4,000-mile front, stretching from Kamchatka to Suiyuan and Ninghsia. This means that, unless the war is brought to a sudden, dramatic end by a successful Red air raid upon the Japanese industrial centers, it will be a protracted and exhausting conflict.

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War under such conditions places especial strain upon a nation's morale and finances. The former will be of extreme significance in Japan's clash with Soviet Russia, for Moscow will undoubtedly fight its wars with ideas as well as with bullets. The efficiency of ideological warfare was vividly demonstrated by the German Army in 1917, when it routed the Tsarist troops with leaflets speaking of peace, bread and soldiers' families suffering at home.

Opinion is unanimous that the economic conditions in Japan's agricultural areas make her farmers, who form the bulk of her army, an easy prey for propaganda. Thus far, the Army's efficiert publicity machinery has been successful in diverting this unrest into chauvinist and fascist channels. The blame for the rural distress was laid upon the shoulders of scheming John Bull, Uncle Sam and the bearded Russian Communist without, and of millionaires, bureaucrats and Elder Statesmen within Japan.

One effect of this propaganda was to foster intense anti-foreignism, which permitted the Fighting Services to obtain without hindrance higher budgetary appropriations and to launch new schemes of aggression on the mainland.

But even a more significant, and to the Army highly disturbing, reaction to the inflammatory military agitation, was the farmers' resort to direct action, without much respect for the uniform they were wearing. Japan's history of the past five years is a grim record of murders, attempted assassinations, military mutinies and sinister plots discovered in the nick of time by the omnipotent, omniscient and ever-present police. In these five years, a Premier, two ministers of finance, the Emperor's closest adviser (Admiral Saito), the head of the Mitsui financial octopus, and two very high Army officers paid with their lives the price of the Army's incautious propaganda.

But the speeches at the current session of the Diet revealed that the peasants are beginning to realize that their misery and distress, which forces them to sell their daughters to brothels, is caused mainly by Japan's enormous military burden. Not one or two, but a succession of speakers assailed the present Army Cabinet for giving the Fighting Services Y.1,300,000,000 in the 1937-38 budget while the distressed rural areas were calmly deprived of their appropriation of Y.150,000,000, thrown to them as a sop by the previous Cabinet.

If and when war begins, no police force in the world will succeed in preventing skilful Communist agitators from flooding the peaceful Japanese countryside with anti-Army propaganda. And a military reverse at the front will further add to rural unrest. Sabotage, evasion of military and industrial service, and open minor uprisings may be the first manifestations of this weakening morale. An open revolt may be its dramatic finale.

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But if weak morale constitutes one of Japan's feet of clay, the other foot is her ailing economy. Japan's national debt has been growing by about Y.800,000,000 a year since the Manchurian Incident of 1931, until today it exceeds Y.10,000,000,000. Yet, her reserves of gold were officially put last week at G. Y.555,000,000, or about U.S.$165,000,000.

Short of every component of modern warfare, from cotton to machinery for the manufac-

ture of guns, Japan must buy them abroad. But with a major part of her population engaged either in the production of guns or in killing off the enemy, Japan would no longer be able to pay for this cotton and machinery with galoshes, toys and cheap textiles with which she is now flooding the world markets. For every thing she buys, Japan will have to pay with gold,—which she does not have.

In this predicament, Miss Utley says, "Japan could only contemplate a real war, naval or military, if assured of foreign credits on a very large scale. It is perfectly clear that no very large sums could be obtained by increased taxation in a country of such low national and per capita productivity as Japan."

But who will grant these enormous loans, which Japan will need to wage a major war? Nippon's new friends, Germany and Italy, are the poor church mice of the Family of Nations. Moreover, it is safe to presume that if Japan's next war is with the Soviets, the two other powers will also join the fray on the other side of the world, and would consequently be unable to grant any financial assistance to their Oriental ally.

America can safely be counted out from the list of creditors, for in its present mood that country desires nothing less than being invoved in a new war even if it is fought, if not to make the world safe for democracy, then to save the world from "the menace of Bolshevism, which threatens our family, property and religion."

The entire problem thus hinges on the attitude of Great Britain. Here the British Tories' traditional friendship for "our little yellow brothers" is set against a rapidly growing determination to fight Japan tooth and nail in every world market where British goods once reigned supreme. A sufficient number of demonstrations of this new policy have been given by the British in China and elsewhere in the past year to give strength to the belief that London, for various reasons, is ready to entertain the advances of the Russo-French bloc.

A striking, although not necessarily reliable, confirmation of this new attitude was given last week by the London correspondent of the Tokyo Yomiuri who asserted that the new enormous British defence plan is directed against Japan and Germany and presupposes the existence of a common Anglo-American policy in the Pacific area.

***

This new orientation, if true, would serve as a striking corollary to Miss Utley's thesis that Japan can neither exist economically nor fight without the tacit consent of the two great Anglo-Saxon powers. Miss Utley suggests that a brief economic boycott of Japan would bring the latter to her knees. Say she:

"It is not a question of blocking Japan; it is merely a question of refusing to buy her goods or supplying her ourselves with oil, iron, cotton and machinery, and of refusing her the credits she is now still able to obtain. Refusal to buy from her for a few weeks would indeed be sufficient. Japan cannot attack England or the U.S.A. for the same strategic reasons that they cannot attack her, so that there is no reason at all why economic sanctions need lead to war. . . . A brief period of collaboration between England and the U.S.A. is all that is necessary. . . .

"Japan indeed is so vulnerable that even the serious declaration of such joint action to oppose her would almost certainly stop her aggression.

"The tragedy of the past five years has been that when, as in 1932, the U.S.A. was anxious to co-operate with Britain to restrain Japanese aggression Britain was unwilling; and that when, as in 1935-36, Britain tentatively sought to co-operate with the U.S.A. to strengthen the Chinese Nationalist Government the U.S.A. had turned back to isolation.

"England and the U.S.A. will not forever be in the favorable position they are in today. Leave Japan to proceed in China, be afraid to call her bluff, let her have time, and she will be able with the possession of Chinese iron and coal and cotton, and with the profits from squeezing the masses of the Chinese people soon to acquire the military invulnerability which she is falsely supposed to have already."

This view may possibly suffer from over-simplification and wishful thinking; it may possibly ignore the possible psychological, political economic and military results of such a boycott, but it offers one valuable hint on the ways of curbing Nippon's imperial ambitions.

Impoverished, unstable internally, faced by a hostile world, Japan may prove amenable to economic pressure designed to ensure peace and stability in East Asia, of which she declares herself to be the sole guardian.

Annual Report for 1936 of Shanghai Power Co. Reflects Improved Economic Conditions

The annual report of the Shanghai Power Co. for 1936, issued this week, gives encouraging proof of the business revival in Shanghai during the past year. Nearly all of Shanghai's vast industrial establishments depend on the Power Co. for their power requirements and the output of electricity furnishes a reliable barometer of economic conditions. The total generating station output in 1936 was 812,507,000 kilowatt-hours, representing an increase of 46,601,000 kilowatt-hours over 1935, and 11,655,000 kilowatt-hours over the maximum output in any previous year.

The balance sheet shows that the Company had reserves amounting to $9,438,878.34, an increase of $1,590,291.70 over the total reserves as of December 31, 1935. Earned surplus of the Company at the close of 1936 amounted to $12,454,575.21.

Dividends on the company's Silver Preferred Stock were regularly paid quarterly from date of issuance. The dividend which normally would have been paid on Jan. 1, 1937, was paid on Dec. 18, 1936. (total payments, $1,846,196.88). Dividends on the U.S. $7 Cumulative Second Preferred Stock of the Company were paid in full to Dec. 31, 1936. (total payments, $1,307,699.92).

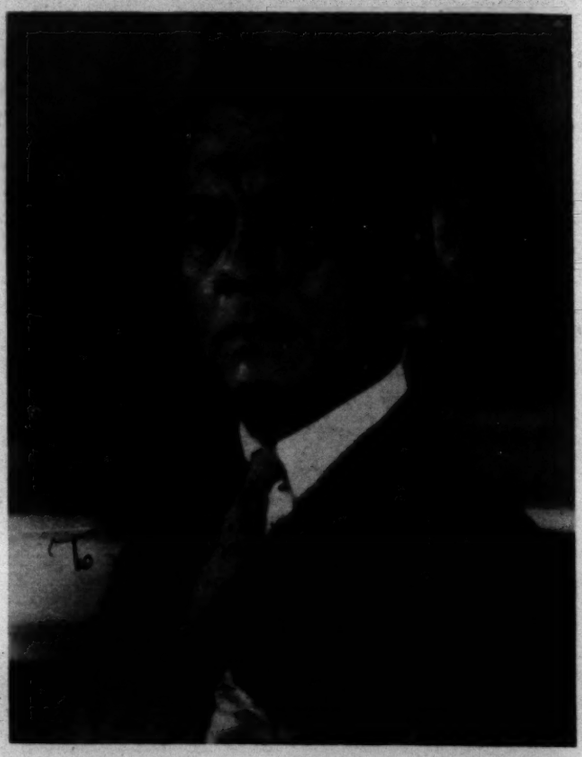
Spaniards Lose Extrality Rights in China

The Ministry of Justice this week issued orders to the Chinese courts to take jurisdiction over cases against Spanish citizens, owing to the fact that there is no Spanish diplomatic and consular jurisdiction in China at present. This means that Spain has lost its extrality rights in China, at least temporarily. A complete statement of the situation was published in *The Review* Feb. 27 (p. 449).

China's Destiny Also Involved in the Problem of Philippine Independence

ANY idea which leaders of the present Administration in Washington may have held that they had disposed of the Philippine problem by granting independence to the Islands has been dissipated by recent reports from Washington, indicating that the whole question of the status of the Philippines has again become acute.

While the issue previously was a purely American question, it has now become international, due to an apparent desire on the part of certain leaders in the Administration to put into effect a clause in the independence act which "requested"



Manuel L. Quezon, President of the Philippine Commonwealth, who hurried to Washington recently because of renewed discussions in Congress regarding the future of the Islands.

the President of the United States at the earliest practicable date to enter into negotiations with foreign powers with a view to the conclusion of a treaty for a perpetual neutralization of the Philippine Commonwealth.

The question is of vital concern to China not only because of the large investments of Chinese in the Philippines, estimated at approximately U.S.$300,000,000 and the Chinese population estimated at 100,000, but because any negotiations for the neutralization of the Philippines would directly affect China. But before considering China's interest in this issue it should be stated that very few, if any, of the Filipino leaders are interested at present in any so-called international security pacts guaranteeing their protection against external aggression. Practically the only advocates of such pacts, among the Filipinos, are a few lawyers, businessmen and university professors, who are under suspicion of Japanese "Pan-Asian" influence.

Manuel L. Quezon, President of the Philippine Commonwealth, in a recent interview declared, "God knows we want no international security pact for the protection of the Philippines." The statement was made in the course of a discussion of political conditions in the Far East, which have developed since the Japanese intervention in Manchuria in the autumn of 1931. According to President Quezon the new Commonwealth would prefer to take its chances as a completely independent nation, and in full realization of the perils involved, than accept the obligations and restrictions which necessarily would appertain to any international security pact or neutralization agreement affecting the future of the Islands, which might be agreed upon by nations about the Pacific. In order to obtain general agreement to an international security pact it probably would be necessary for the Filipinos to give up all idea of defending themselves and in addition they would have to submit to international control of their tariff, somewhat as prevailed in China prior to the coming into effect of autonomy in 1928.

As a result of their opposition to an international security pact, the Filipinos have embarked on a costly program of military development for their own protection. While they have not lost hope in the possibility of some form of American protection, after the coming into effect of independence they have decided, on the other hand, that they would rather try to protect themselves than depend upon an agreement which contained the signature of a nation whose activities have been characterized by wholesale treaty violation and armed aggression upon weaker neighbors.

That the issue of the future status of the Philippines is becoming acute was indicated in recent reports from Washington stating that Representative Frederick L. Crawford of Michigan, who claims to be an expert on Philippine affairs, declared in the course of an address in the House that the United States should proceed on the basis that Japan will be the "future guardian" of the Philippines. He warned he United States agianst becoming involved in policies which it might be unable to support "when Japan really moves in." He asserted that the maintenance of military and naval reservations in the Philippines "would involve the United States in the most serious in-

ternational difficulties." He questioned the feasibility of granting the Philippines reciprocal trade agreements after independence if similar privileges were not accorded to Japan.

Several months ago President Quezon appointed Vice-President Sergio Osmena as Chairman of a delegation to proceeed to the United States for the purpose of negotiating a new trade agreement designed to stabilize the economic relations of the Philippine Commonwealth and the United States after the coming into effect of independence. The so-called Tydings-McDuffie Act or independence law contains a provision that representatives of the United States and the Philippine Commonwealth must hold a conference for the purpose of formulating recommendations for the future trade relations of the two countries. It was specified that this conference should be held at least one year prior to the date fixed by the law for the independence of the country. This would be sometime in 1946 but the Filipinos, and also the Americans interested in the commerce of the Islands, have no intention of waiting ten years for this conference to assemble. This explains why President Quezon recently hurried to Washington in advance of the mission headed by Vice-President Osmena. The Philippine leaders want the conference to meet immediately, because the early prospect of assessing American tariff duties on Philippine products, even in accordance with the graduated scale outlined in the independence law has been responsible for the prevalence of political and economic uneasiness, which is likely to play havoc with the economy of the new Commonwealth.

The uneasiness which now prevails in Manila is due to intangible rather than tangible elements, but there is no disputing the fact that present agrarian discontent, will be aggravated when the graduated tariff clauses in the independence law become effective. As the entire economy of the Philippines depends upon a free American market for Philippine products, anything adversely affecting that market is likely to have adverse economic effects culminating in political disorder.

Another reason for uneasiness lies in the complicated politics of the Pacific and the fear which prevails at Manila that a situation may develop in the Pacific which might cause the United States to decide to cut short the ten year probationiary period and withdraw its forces immediately. The anxiety is constantly aggravated by attacks of pacifists in the United States, who profess fear that the development of a Filipino army under American auspices, which is now in progress, may precipitate a war with Japan. If one would believe statements openly made in Manila by both Filipinos and Americans, all pacifist organizations in America which are attacking the new Filpino army are in the direct pay of the Japanese, because the Japanese obviously would benefit most by having an undefended Philippines cast adrift in the Pacific. The uneasiness prevailing in the Philippines has also been greatly aggravated by Japan's recent declaration of a so-called "southward expansion movement" which is supposed to be intimately connected with the recently concluded military alliance between Japan and the German Nazis. According to widely published reports at the time the Japan-German alliance was made public, the two countries had decided upon a mutual division of "spheres" in the South Seas and while the Philippines was not mentioned it was obvious that both Japan and Germany had their eyes on the islands and were preparing for action following the coming into effect of independence.

That China's destiny is also bound up in these development was indicated in a recent suggestion from Tokyo that the United States and Japan should adopt a "mutual protection" treaty in the Pacific. The suggestion apparently originated with former Foreign Minister Hachiro Arita. While the Japanese proposal went no further than a "feeler," it was suggested that the then pending expiration of the naval treaties would provide an opportunity for Japan and the United States to conclude a bilateral agreement dealing with their interests in the Pacific. The Administration's spokesman quickly let it be known that the only type of agreement that the United States might be interested in would be one that would include all nations with interests in the Pacific *including the Russians*. The Japanese did not pursue the question further, but the suggestions from Washington pertaining to an international security pact for the Philippine Commonwealth are of obvious interest to China. Another element in the situation of even more interest to China is the Japanese attempt to force international recognition of Manchukuo and international recognition of Japanese military and political hegemony over China in exchange for Japan's adherence to any international agreement which might be desired by other nations.

Child Welfare Association Cares for 241 Children in Five Centers

The work of the National Child Welfare Association of China in assisting under-privileged children and slave girls, prosecuting cases of cruelty to children and in helping sick children was summarized by Jabin Hsu, General Secretary of the Association, in a report on last month's work, before the first meeting of the Executive Committee held at the Chinese Bankers' Club in Shanghai Feb. 27.

Two hundred and forty-one children are being cared for by the association in its five demonstration centers in Shanghai, he reported. Fifteen needy children were given relief during the past month. Twenty-one children suffering from tuberculosis were taken into the Child Welfare Sanitarium in Kiangwan—these cases being in addition to relief secured for children in other directions.

Communications Are a Vital Element in China's Plans for Defense Against Japan

BY HALDORE HANSON

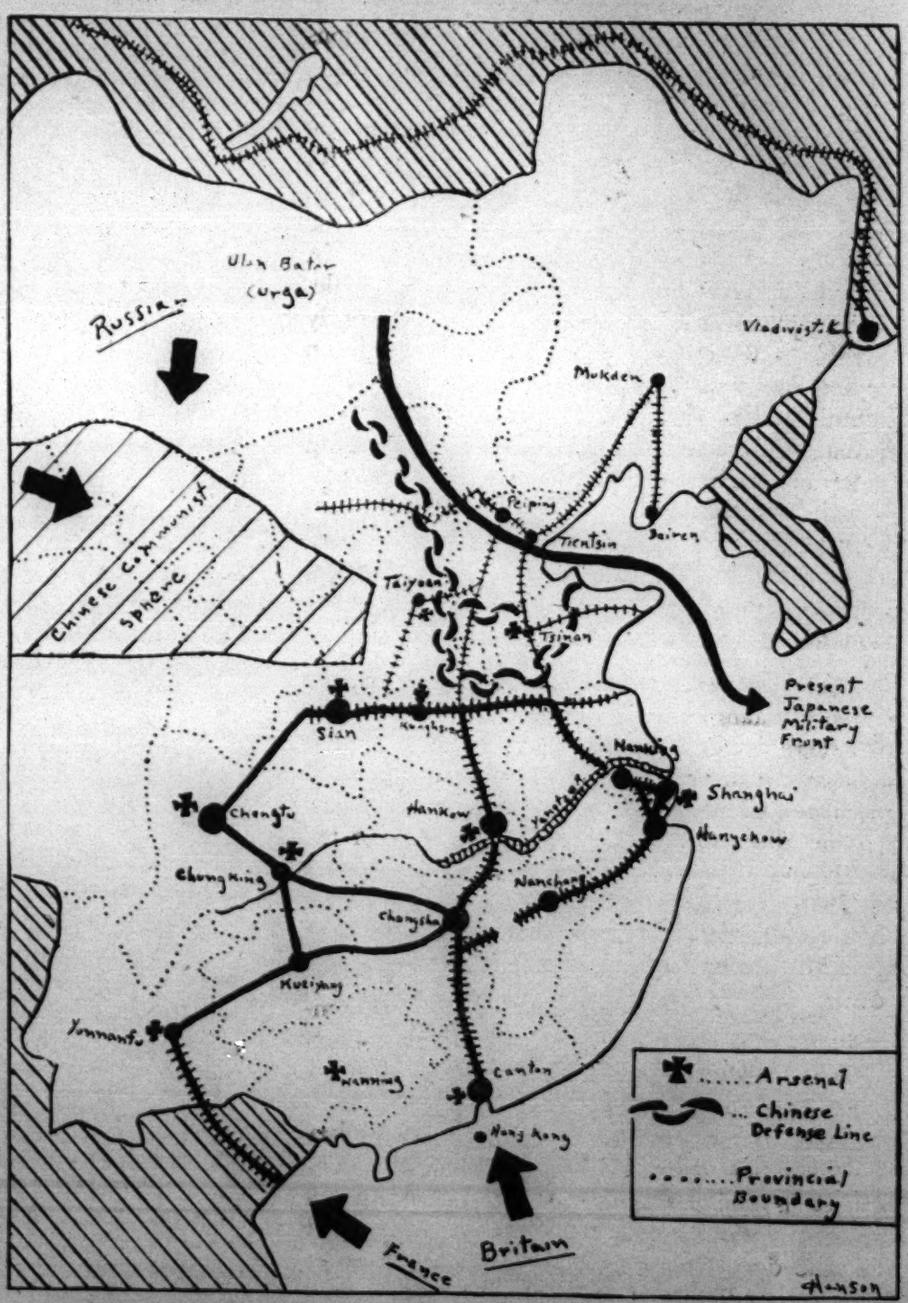
PEIPING and Nanking differ considerably in their opinions upon the question, Can China fight Japan? The northern city is cynical, the southern capital naive. On a recent trip to these centers the writer questioned several tens of officials and disinterested observers. So different were the facts cited that the people seemed to be talking about two different countries; perhaps they were.

"You can't fool us northerners," one old Peking hand remarked; "the Central Government would be unable to fight Japan due to opposition of financial and commercial interests in the coast ports. That in varying degrees seems to be the attitude of many persons in Hopei, Shansi, and Shantung. To argue with these people, to cite facts to the contrary, to quote anonymous statements made confidentially by high Nanking officials, is only to invite the charge of gullibility.

Nanking on the other hand seems deadly in earnest. Artillery pieces and camouflaged trucks venture along the principal streets. The environs of the city are criss-crossed with trenches and barbed wire. Still I asked, Can China fight Japan? "Unquestionably," one official asserted as he sipped his tea. "Let Japan try to take one more inch of territory, and the whole nation will be up in arms; we will fight to the last man, and Japan *must* go down in defeat." This attitude of *must* seems to be generally held by students and civil officials in Nanking. Military men are more cautious in their statements.

One fallacy is common to the skepticism of Peiping and the optimism of Nanking: neither city is basing its opinion upon facts. How many troops does China have, and what are they worth? How many officers and how loyal? What is the real strength of the air force? Are the masses being trained for war? (Contrary to northern information, *mass training has already begun*). Will China's finances stand the gaff? What happens in a political kitchen with too many cooks? These are the questions which must be answered before judging China's fighting strength.

The most favorable angle to approach this subject is the question of war highways and railways, for the tremendous scope of preparations must give the skeptics pause to consider, while the present inadequacy of these transportation channels must also salt the optimism of national officials. First, glance at the accompanying map, portraying the tie-up of China's new communications with her external danger. If China and Japan should go to war, the 3,500 miles of coastline would immediately be blockaded, though not effectively because only a part of the fleet would be available for patrol duty. Japanese gunboats, more than likely, could also dominate the Yangtsze River as far inland as Hankow. (This would depend upon the effectiveness of China's new guns allegedly mounted along the river at strategic points.



Map Showing Tie-Up of China's New Communications with Her External Danger. Heavy arrows indicate possible foreign inlets of supplies, Serpentive arrow at Top shows present Japanese military front. Crisis-cross lines show three-sided defence strategy. German crosses show position of long-established arsenals.

Anticipating such a blockade, China's preparation for war must be directed along two lines: (1) How can the centers of food and ammunition be linked with the probable fighting fronts? and (2) Where can channels of transport pierce the blockade, and draw supplies from China's three foreign neighbors, namely, Russia on the north and west, Great Britain at Hong Kong, and France along the Yunnan border. Heavy arrows upon the map indicate these possible foreign inlets.

To judge whether recent highway and railway construction has been strategically planned one must have some notion where the battle fronts of a Sino-Japanese war would lie. Military observers generally agree that Japan would launch four campaigns simultaneously, three precautionary, and the fourth an actual invasion. First, a Japanese army would press westward from Chahar through northern Suiyuan and Ninghsia, seeking to sever Chinese communications with Russia. Second, the navy would occupy every major seaport from Kwangtung to Manchuria, and make the economic blockade effective largely by control of these communication heads along the coast. Third, Shanghai would receive special attention; a Japanese landing force in central Kiangsu, cooperating with the Japanese garrison in the city, would try to envelop Shanghai, and isolate the supplies now stored there. Nanking would in due time be abandoned, with little consequence as arrangements are already completed to use Chengtu as the political capital and Chungking as the financial center. These three campaign—in Mongolia, along the seacoast, and at Shanghai—may be considered military irritations, aimed at wearing down the resistance of China.

The focal point of such a war, on which the destinies of the two nations would hang, is the present North China front, indicated on the map by the long serpentine arrow, extending from northern Chahar to the Yellow Sea. Until the Japanese can push this present front westward and southward, engulfing Suiyuan, Shansi, and Hopei, bringing their line parallel with the Lunghai Railway, their advance upon such strategic centers as Sian and Hankow would be unthinkable. Two considerations dictate that this northern front shall be the principal theater of the war. In the first place, communication lines with Japan are shortest, the army is working from an established land base, and the facilities for supplying a Japanese army locally are best organized in North China. In the second place if international intervention should force a compromise during the war, foreign powers might much more likely permit Japan to retain Chinese territory in the north than in any other part of the country.

Now to return to the original question: Are China's new highways and railways so planned as to link her supplies of rice and ammunition to this defence program? The only major rice surplus in the country comes from the provinces of Hunan and Kiangsi in the south. Ammunition is produced in eleven arsenals (indicated by German crosses on the map), but the burden of supplying the northern front will fall upon two munition works in the northwest, at Kunghsien in Honan, and Sian, with Chengtu as the principal reserve. These three arsenals are reasonably secure from Japanese bombardment.

There then is the problem: food in the south, ammunition in the northwest, fighting in the northeast. The difficulty is increased by two unknowns, whether Japan can control the railway crossings on the lower Yangtsze River, and whether her airmen can blow up railway bridges as easily as the Central Government bombers did (not Yang Hu-cheng) along the Lunghai Railway last December.

Desideratum Number One is a safe transportation route from the rice market in Changsha, to the future military training center in Chengtu, to the base of operations in Sian, to the fighting front in Shansi and Honan, thus evading Japanese interference along the river at Hankow. The map clearly indicates what the government is doing to fill this need. The Sian-Chengtu highway was completed in 1936 by German engineers under great pressure from General Chiang. The Changsha-Chungking and Changsha-Kueiyang-Yunnanfu highways were completed in one year instead of three, at a cost of $8,000,000, and opened to traffic January 1, 1937. General Chiang received weekly telegraphic reports during 1936 on the progress of these last mentioned roads.

Since one railway is worth twenty parallel highways, especially if the roads are subjected to heavy military traffic, the Central Government has now turned its full attention to replacing these new interior roads with railways. The Sian-Chengtu railway is under construction with Belgian capital, and the largest locomotive repair shop in China is included in the contract, to be built west of Sian. A French loan for the Chungking-Chengtu railway was initialed during December, 1936 by Dr. H. H. Kung, but actual construction work has not yet begun. The laying of rails on the Changsha-Kueiyang line began last autumn, and if completed according to schedule, should link the Chinese National railways with the French railway in Yunnan during 1941.

Every military nation in the world has plans for national defence, but few are completed before shells begin to whistle. Germany dreamed of a Bagdad railway. Japan has her six year replenishment program. China has her railways. This much is certain: if the Japanese army was convinced that a war in China must some day be fought, the officers might strike before China's major military strongholds have shifted 1500 miles from the coast.

Long distance telephones have followed the new highways and railways with unbelieveable speed. The writer has clipped from the newspapers in the past six months the announcement of more than 5,000 miles of new telephone lines. These include such strategic routes as Hankow-Shanghai, Shanghai-Canton, Shanghai-Nanchang-Changsha, and Canton-Changsha-Hankow-Chengchow.

In ultimate fighting advantage, communication routes with Russia, Britain, and France would probably prove of greater signicance than the interior routes. At Canton the expenditure of $25,000,000 on a new Whampoa railway and shipping facilities during the first half of 1937 indicates in a small degree the emphasis which Nanking is placing upon British cooperation. The gracious exchange of visits between the mayors of Canton and Hong Kong was likewise not a mere love feast.

Prior to the announcement of the Japanese-German military alliance "against communism," one heard much of German-planned defense strategy designed to offset Japan's strategical advantages. One wonders whether these plans have now been handed over to the Japanese General Staff—on the ground that they were covered in the Japan-German agreement to exchange information pertaining to "defense against communism."

Anti-Red Commission Formed in Tientsin

Under the supervision of Yin Ju-keng, chief puppet in Eastern Hopei, the so-called Anti-Red Commission of the Chinese Republic was formed in Tientsin as a step to expand the influence of the Eastern Hopei Regime. Yin Ju-keng is now reported to have personally arrived in Tientsin in order to conducting secret negotiations with the Japanese in this connection, the *Sin Wen Pao* of Mar. 1 stated.

Protest on Isis Theatre Raid Made to Rome—Damages Put at $92,721

DETAILED reports on the damage caused by the attack on the Isis Theatre by a rowdy group of Italian sailors and civilians Saturday, Feb. 20, when the Soviet film "Abyssinia" was being shown after it had been twice censored at Nanking out of deference to the wishes of the Italian authorities, have been lodged by the theatre management with the Soviet Consulate-General here. Losses suffered by the management during the attack, including machines, equipment and business, were put at $92,721. A copy of the report was also sent to the Chinese authorities for reference. The Asia Films of China, American distributors of the picture, also reported their losses to the American Consulate General here. The distributors stated that as a result of the destruction of the copy they incurred a loss of U. S. $2,000. During the riot one reel of the film was stolen and destroyed, making it impossible for the picture to be shown without a duplicate copy, the film firm explained. At the time of the attack, a Warner Brothers and a Universal short, stored in the projection room of the theatre were also damaged by the Italians. These two advertising features cost approximately $2,000, it was stated.

Besides two Soviet citizens who were injured in the riot, a Chinese engineer, Ma Yao-hwa, was injured, being struck in the abdomen. He was not seriously hurt.

The Isis Theatre, which was partially wrecked during the raid, is making extensive repairs on damaged projection machines, broken windows and chairs. The management of the picture house states that it will probably take a fortnight before the repairs can be completed.

The Italian Consulate-General in Shanghai, Commander L. Neyrone, Feb. 25 sent a formal reply to the protest lodged by the City Government of Greater Shanghai over the recent attack on the Isis Theatre by a party of Italian sailors and civilians because of their opposition against the showing of the film "Abyssinia." The contents of the reply were not divulged, but it is understood that no definite measures were mentioned in the note regarding the settlement of the incident.

The protest on the incident was lodged by the City Government Feb 22 with the Italian Consulate-General. In this, the rioting, participated in by some 100 uniformed Italian sailors, was described as a serious offense against private property and public peace. The note requested the punishment of the culprits and reserved the right for further demands. Meantime the City Government forwarded the reply from the Italian Consul General to Nanking.

General Liu Wen-tao, Chinese Minister in Rome, was instructed Feb. 28 by the Ministry of Foreign Affairs to present a protest to the Italian Government concerning the incident. Chinese press reports stated that the Waichiaopu had received a reply from the Italian Embassy. In this, the Ministry was informed that there is no Italian Ambassador in China at the present time and the matter was being referred directly to Rome. The telegraphic instruction to the Chinese envoy, the report said, was dispatched when the Waichiaopu failed to receive a reply to a note of protest sent the Italian Embassy in Shanghai.

A feature of the Italian raid on the Isis Theatre, which makes it all the more reprehensible, is that China and Italy had only recently arrived at a mutual understanding that each country would show respect for the other's national feelings in regard to cinema exhibitions and it was in accordance with this understanding that the Chinese Censorship Board had censored the picture twice so as to meet Italian wishes.

Signor Arosset Desandre, Charge d'Affaires of the Italian Embassy, called on Dr. Wu Sung-kao, Director of the Department of International Affairs of the Ministry of Foreign Affairs in Nanking Feb. 27, regarding the recent attack on the Isis Theatre in Shanghai by Italian sailors.

Nazi Organ Approves of Italian "Self Help"

The *Ostasiatischer Lloyd*, the local organ of the German Nationalist Social Party, headed its account of the Isis raid "Abyssinia Film Without Happy End." An editorial foot-note commented: "The question is whether an offence to the national feeling of another country—as the repeated showing of this film must be considered—is to be measured by an ordinary foot-rule. The way to "self-help," as was used on this occasion, will be heartily approved by all who realize the fear of Bolshevik propaganda. This theatre on the border of the Chinese and Settlement jurisdictions of Shanghai has made its appeal to the public with films, the showing of which has been forbidden in the Settlement. This incident shows that an 'arm' from the Settlement can reach farther and more swiftly than the clever proprietors of the Isis Theatre evidently dreamed of."

Manifesto Issued by Chinese Writers and Dramatists Against Italians

The following is the text of a joint manifesto issued by more than 120 prominent Chinese writers and dramatists in connection with the attack on the Isis Theatre by the Italian marines:

"The picture 'Abyssinia' is an objective record of the divine struggle put up by the Abyssinians against aggression. For this reason, indignation was caused among the Italians, who actually prevented the picture from being shown to the Chinese public after the first showing.

"After having been censored, the picture was again shown in the Isis Theatre. On the first day of the second show, the Italian marines even went so far as to prevent the Chinese from seeing the picture by force, with the result that many were injured and a part of the film burned.

"This is a gross insult to our nation. In the mind of the Italian marines, there remains nothing left regarding China's right over motion picture as well as her jurisdiction and legal rights.

"We firmly believe that the Government will file a strong protest with the Italian Government, and we shall exert out utmost to support the Government."

Tientsin Journal Urges Foreign Consular Officials to Control Nationals

Expressing regret over the attack on the Isis Theatre in Shanghai by Italians and the raid on a Customs godown by a gang of ronins in Tientsin, the *Hua Pei Jih Pao* of Peiping, in a leading article, urged the foreign consular representatives to exercise control over their nationals. The paper said the disturbance by the group of Italians in the Isis Theatre was not only detrimental to the peace and order of the city, but also insulting to the Chinese Government. If they objected to certain parts of the film, they should have approached their authorities to request the Chinese Government to make further deletions. The Tientsin incident, the paper said, was more serious. Although only a small group of foreigners was involved in each case, the utmost disregard for law and discipline which their action revealed, was highly regrettable.

Owing to unequal treaties, it was difficult for the Chinese authorities to exclude undesirable aliens, the paper continued. Again, the existence of extraterritoriality rendered it difficult for the Chinese judicial authorities to lay their hands on law-breaking foreigners. "It is true that the great majority of foreigners are law-abiding but at the same time it cannot be denied that a small minority are taking advantage of their extrality to engage in doubtful pursuits, such as the sale of drugs, smuggling, etc." In concusion, the paper said the consular representatives of these counties had a great responsibility. They should take action against those of their nationals who had violated the law.

Sarcastic Comment on Italian Civilization

The *Lib Pao* commented: "Shanghai is without doubt Chinese territory. But, in the eyes of the 'heroic' blackshirts Chinese are equally inferior as the Abyssinians, whom they should also teach a good lesson by 'spreading their civilization.' We Chinese do admire very much their use of ammonia as a means of 'spreading their civilization,' which is an imitation of the use of poison gas. Nevertheless, during that day, an event happened in the Abyssinian Capital, in which some local Abyssinians attacked the Italian Governor and some Abyssinian traitors, which, indeed, shows that the spirit of patriotism is still going strong in Abyssinia. Now is a good time for our Chinese people to show our patriotism. "Such a 'sensational picture,' which was the product of the joint direction of the Italian Vice-Consul and the Commercial Attache, has given us a far better lesson than that from the Abyssinian picture. Had there not been such a sensational 'supplement,' to the picture 'Abyssinia,' there would have been not much 'civilization' left in this picture, as it had been twice censored by the Central Movie Censorship Bureau. "After all, these 'heroic' blackshirts personally staged such a 'heroc show' before our Chinese peo-

ple, which is, indeed, successful in proving to us what is the Italian conception of 'civilization'."

Italians Apologize to British

The recent clash between Italian sailors and British soldiers in a cabaret on Rue Chu Pao San, Shanghai, known locally as "Blood Alley," was discussed in the House of Commons Mar. 1. A Labor member asked whether the attention of the Foreign Secretary had been drawn to the attack by Italian naval men on soldiers belonging to the Loyal (North Lancashire) Regiment, and whether he proposed to make representations to the Italian Government on the matter. In replying, Mr. Eden said he understood the incident had been amicably settled by the respective commanders. Italian sailors visited the injured Britons in hospital with presents, and invited a party of British troops to an entertainment aboard their gunboat.

Pieces of Bomb in Lungs of Marshal Graziani

The state of health of Marshal Rodolfo Graziani, Viceroy of Ethiopia, has given rise to much uneasiness. He was the object of an unexpected assault in Addis Ababa last week during the celebration of the birth of an heir to the Italian Throne when bombs were thrown at him and other notables participating in the event.

The Marshal is suffering from traumatic pneumonia, pieces of a bomb having lodged in his lungs.

Corpse of Executed Ras Publicly Exhibited in Addis Ababa

The corpse of Ras Desta Demtu, who was captured and executed by the Italians last month, was publicly exhibited at Addis Ababa by order of the Viceroy, Marshal Graziani. Commenting on the recent execution of Ras Desta, the Rome *La Tribuna* Feb. 27 termed the execution a "fair and fitting answer" to the British affront to Rome in inviting Ethiopians to attend the Coronation of King George.

Mussolini's "More and Better Babies" Campaign Not a Success

Telegrams from Rome this week stated that it was admitted that Mussolini's "More and Better Babies Campaign" had failed to attain the success expected of it. The *Popolo d'Italia* complained that since 1924 Italy had lost enough babies to comprise 14 army divisions.

The *Giornale d'Italia* recently said: "Italians must not drink less wine lest there be a corresponding decrease in the birth rate. Wine is a moderately exciting beverage which creates the happy abandonment that favors accentuation of the phenomena essential to vitality."

Chinese in Geneva Incensed Over Showing of Swiss Film Depicting China

Advices from Geneva states that the Chinese community there is greatly incensed over the showing there of "Eternal China," a production of the Swiss Zurich Film Company, which is considered to be a gross insult to the Chinese people. The picture is represented to be a mirror of Chinese life, showing opium smoking, coolies' life, civil war, epidemics, famine, parents selling children and so forth.

The Chinese Legation has filed a protest with the Swiss authorities against the misinterpretation in the picture.

Mrs. Quezon Passes Through Shanghai Enroute to U. S.

Mrs. Quezon, wife of the President of the new Philippine Commonwealth, was a passenger on the *Empress of Japan*, which arrived here Feb. 25. She was presented with a bouquet of flowers by General and Mrs. Wu Te-chen as a token of welcome. Among those present at the Shanghai and Hongkew Wharf to greet the arrival of the First Lady of the Philippines were Chow Chueh, Director of the Shanghai Office of the Waichiaopu, S. H. Tong, Secretary of the City Government of Greater Shanghai, and C. E. Gauss, American Consul-General.

Mrs. Quezon continued on the same boat on her way to the United States to join her distinguished hubsand now conferring with the American authorities on important questions concerning the Philippine Commonwealth. Later, the couple will proceed to London to attend the coronation ceremony of King George VI.

Manuel Quezon Says Philippines Determined to Obtain Independence

The President of the Philippines Commonwealth, Manuel L. Quezon, re-asserted in Washington Feb. 26 the determination of the Philippines to obtain independence in accordance with the program outlined in existing legislation, regardless of any previous trade or neutralization agreements.

U.S. Steel Bends to Union, Grants 40-Hour Week

A STRIKE in the American steel industry which was scheduled for April 1 has been obviated as the result of four of the nation's most important steel companies on March 1 agreeing to demands put forth by the Steel Workers Union for an increase in wages. Abandoning their traditional attitude of determined opposition to treating with organized labor, the United States Steel Corporation has begun negotiations with John L. Lewis, leader of the Committee for Industrial Organization, with which the Steel Workers Union is affiliated, on the all-embracing question of a collective contract.

The five largest independent steel organizations in the United States, faced by a drive by John Lewis to organize workers into one giant union, March 2 granted thousands of employees increased wages and reduced hours. The concessions include a 40-hour week, instead of the 48 hours hitherto worked, and a minimum daily wage of $5. The wage increase is expected to raise the pay-roll of 550,000 workers to $100,000,000 a year.

The decision of the companies brings them into line with the Walsh-Healey Act, which stipulates a 40-hour week for factories accepting Government contracts, and will almost certainly break the deadlock over the matter between the Navy Department and the steel companies as a result of which naval building had been considerably slackened.

The companies making the concession include the Bethlehem Company, the second largest steel producers in the country. Simultaneously, the Carnegie Illinois Corporation, the largest producers in the United States, have begun collective bargaining, thus breaking a principle enforced for 50 years by the United States Steel Corporation. American Labor leaders are hailing these negotiations as their greatest victory for 40 years.

The steel industry in the United States has long been looked upon as the bulwark of the open shop, and some of the most bitter struggles between capital and labor have been fought in the attempt of the workers to organize this industry. The action of the four independent steel companies came shortly following labor's closing down of the General Motors Corporation factories in and around Flint, Michigan, when the United Automobile Workers, another of the unions affiliated with the Committee for Industrial Organization, staged a series of sit-down strikes. The strikes were finally settled with a partial victory for the workers.

The "sit down" strike (*i.e.*, workers remaining in the factory, but not doing any work), was adopted as tactics in the United States practically for the first time this year. It was stated in American newspapers that the idea came from France, but it has been a favorite weapon among Chinese workers from time immemorial. The sit-down strike has been demonstrated to be a highly effective weapon in the hands of workers, for it enables them to cripple an industry by preventing operation.

Fifty deputy sheriffs poured tear gas and "knockout" bombs into two buildings of the Fan Steel Metallurgical Corporation for more than an hour in Waukegan, Feb. 25, before forcing the gasping, choking "sit down" strikers occupying the plants to evacuate. The officers of the law fired the gas bombs from a specially constructed "gas gun tower" which had been mounted on a truck. No immediate attempt was made to arrest the strikers as they left the plants.

Asst. Secretary of Labor McGrady commented recently: "The use of elaborate spy systems, tear-gas guns and the

paralyzing of industrial operations should have no place in modern society." Senator Joseph F. Guffey, from Pennsylvania, Feb. 25 introduced a bill establishing mechanism for the settlement of maritime disputes by compelling employers to recognize labor organizations.

The issue raised by sit-down strikes was succinctly put by Judge Paul V. Gadola in a decision given in Flint, Michigan, Feb. 2 that sit-down strikers would have to evacuate two Fisher body plants. Judge Gadola ruled that the mere fact that a large body of people were involved did not affect the principle involved.

"It is deplorable," he said "that in this country, and with the respect for law and order in our institutions that prevail, that it should become necessary to have conditions exist as they are. Courts cannot set up any processes of tribunals to adjust differences between an employer and an employe. That is a matter for the congress or the various state legislatures. This court realizes, no matter how the court decides, that he will meet with condemnation from some of the involved groups or interested parties. The courts are a constitutional part of our government and must fearlessly function without thought of personal standing, or criticism and this court will attempt to do that. This court has previously stated he must take the law as he finds the law, and he must interpret and follow that law. If there is to be a change in the laws, it is legislative function to make those changes, and the court perforce must follow the mandates of the legislature relative thereto, but the court cannot legislate; the court can but interpret and enforce."

As the *American Observer* points out, the recent strikes in the American automobile industry and the maritime strike, in addition to the threat of future labor disturbances, have raised the question whether some means of settling such disputes without the great losses that come from strikes, might be worked out; whether there might not be an impartial, disinterested body to mediate and attempt to compose the differences which arise between employers and workers. Secretary of Labor Perkins, following her failure to bring Alfred P. Sloan, Jr., president of General Motors, and John L. Lewis, labor leader, together, suggested that the government's power be strengthened. She has recommended that the Conciliation Service of the Department of Labor be given the power to compel representatives of workers and management to meet together and to present whatever evidence there is available on the strike situation. It has also been suggested that some type of mediation service, similar to that which exists in the U. S. railway industry, be established to cope with all labor disputes.

President Roosevelt is believed to favor giving the Government power to compel capital and labor to comply with provisions for collective bargaining. The President was scheduled to include this point in current radio broadcasts.

Dumping of Foreign Goods Through Dolonor and Kalgan Reported

As a precaution against disguised smuggling through the Kalgan and Dolonor customs, the Ministry of Finance has dispatched customs officers to the locality to undertake the collection of import duties according to the import tariff schedule on all foreign goods coming in through the two cities. A communique has been issued by the Ministry ot the Hopei-Chahar Political Council soliciting the latter's assistance in the matter. Meanwhile, the Ministry announced that the tariff rates on incoming native products will be collected as usual.

The step taken by the Ministry was a sequel to the petition of the superintendent of the Kalgan-Dolonor customs who reported that lately large quantities of foreign articles have passed through the two customs. As only import duties on native goods are collected by the Kalgan and Dolonor customs, it is found impossible to check the influx of foreign imports, which are paying low tariff.

Dr. Wu Lien-teh Discusses Mixed Marriage Problems

Dr. Wu Lien-teh, Director of the National Quarantine Service, spoke on the subject of "Inter-Racial Marriages" at the Chinese Y.M.C.A. in Shanghai Feb. 25. He said the first 20 years of his life were spent in Malay, and he next travelled to England and other parts of Europe. A subsequent visit to Hawaii and the United States impressed him with the wider and freer inter-racial mixtures which he saw, and then in the semi-continent of India he encountered divisions of the human family ranging from the fair, blue-eyed Caucasian of Cashmere to the very dark, silkyhaired Dravidian of South India.

Taking up the subject of the Cantonese he said in his humble opinion, there are two reasons for Canton's comparative go-aheadness, namely, its earlier contact with the West, and the greater mixture of its inhabitants.

"Hongkong, offers opportunities for study. Into the already mixed people of Kwangtung settled down, there have been sown successive generations of Caucasian visitors of all grades—merchants, clerks, policemen, overseers, sailors, soldiers, etc. I shall always remember how 15-20 years ago bundles of Chinese sampan women were hauled up on to steamers in the night, when the lighted gangways were officially closed, to satisfy the needs of hundreds of members of the foreign crew. Any resulting offspring will show some Caucasian features in the way of hair, eyes, texture of skin, physique, etc., though the children will bear the names of the mothers. One has only to keep one's eyes open when walking along the streets of Hongkong to see striking examples of such unions. That Sino-Caucasian mixtures have not done badly may be demonstrated by the astounding fact that for 30 or more years not a few of the leading commercial people, owners of property, members of the executive and legislative councils, compradores, lawyers, official spokesmen for Chinese and others have sprung from the *handsome mui* or pretty maidens. These persons have done well in life because they have been offered equal opportunities with others in the matter of education, promotion and commerce.

"It is often said, I think with very poor reason indeed, that the product of a mixed union tends to inherit the vices and not the virtues of the parents. And examples are brought forward of laziness, unreliability, forgery, sharp practice, etc. But such deviations from the normal are found equally among the pukka whites anywhere. If the percentage of dishonesty or weak traits be higher than normal—and this I doubt—this is due rather to the following reasons:

"1.—The poor quality of the stock on both sides from which the children have sprung. In India I am told the fathers are usually soldiers, laborers and petty cierks, and the mothers servant girls, amahs or illiterate women.

"2.—The unsatisfactory environment under which these children 'conceived in sin' are born, and also the way they have been brought up. From their earliest years the children have been looked upon as unwanted, they are ashamed of their mothers; they can often claim no fathers; at school they are laughed at and bullied; in the end they possess an inferiority complex, and when they grow up they do not possess the privileges accorded to either race. It is highly surprising that so many have done well in spite of innumerable handicaps. These unwanted children of a mixed union may be compared to eunuchs of the court of bye-gone days, who because they have suffered so much physical as well as mental pain have sworn vengeance upon the community, and this accounts for their continuous intrigues and sometimes cruel acts whenever they assume official power."

Movements and Appointments in Diplomatic and Official Circles

Dr. H. H. Kung, Minister of Finance, received Chang Hsin-wu, Commercial Attache at the Tokyo Embassy, and Cheng Yuan-fan, Provincial Commissioner of Finance for Chekiang, Feb. 24. He was host at a dinner given in honor of General Pang Ping-chun, Commander of the 40th Army; Lieut.-General Sun Lien-chung, Commander of the 26th Route Army; Chou Tso-min, President, of the Kincheng Banking Corporation; and Messrs. Yin Jen-hsien, Miu Chia-ming and Cheng Yuan-fan, Provincial Commissioners of Finance respectively for Hunan, Yunnan and Chekiang.

General Chiang Ting-wen, Director of the Fukien Pacification Headquarters, called on General Chiang Kai-shek, and General Ho Ying-chin, in Nanking this week, to report on his visit to Fenghua, where he conferred with General Chang Hsueh-liang concerning the rehabilitation measures for Shensi and Kansu.

The military and naval attaches of the various foreign Embassies and Legations in Nanking were guests at a dinner given at the International Club Feb. 27 by the Board of General Staff.

Yu Yu-jen, president of the Control Yuan, is expected to leave Nanking for Shensi shortly as high envoy of the National Government to inspect the general situation in the Northwestern province.

Liu Lu-yin Allegedly Implicated in Political Assassinations; Reds Demonstrate Support for Gen. Chiang

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Former Hu Han-min Follower Arrested in Shanghai, Taken to Hankow for Trial.**
2. **Dr. Wang Chung-hui Succeeds General Chang Chun as Foreign Minister.**
3. **Two Tungpei Army Commanders Slated for Important Posts in Central China.**
4. **Gen. Sun Wei-ju, New Shensi Chairman, Returns to Sian After Visit in Nanking.**
5. **Gen. Chiang Receives Tungpei Officers, Chang Prolongs Stay in Fenghua.**
6. **Reds Demonstrate Support for Gen. Chiang, Changed Behavior Praised by People.**
7. **Ambassador Kawagoe Arrives in Nanking, Branded "Wooden Idol" By Tokyo M. P.**
8. **Japanese Banker in Shanghai Urges Adoption of New China Policy by Tokyo.**
9. **Japanese Economic Mission to China Due to Arrive in Shanghai This Month.**
10. **List of Reported Proposals Submitted to Third C. E. C. Plenary Session.**

Liu Lu-yin, member of the Central Executive Committee of the Kuomintang and until recently Director of the Central Publicity Department, was arrested at 1.30 a.m. Feb. 24 in front of the Yangtse Hotel, Shanghai. The arrest, which had been ordered by the authorities in Nanking, was carried out jointly by the detectives of the Shanghai-Woosung Garrison Headquarters and the Shanghai Municipal Police. The charge against Mr. Liu was said to be his alleged complicity in two important assassination cases, and the authorities were stated to have obtained evidences of his complicity in the said two murder cases. At the time of his arrest, Mr. Liu was with his wife. Both were taken to the Louza Police Station, but Mrs. Liu was later released. Later in the morning, Mr. Liu was brought before Judge Feng in the First Special District Court for a brief hearing, during which Mr. Liu was stated to have said that aside from the duties as a Party official he had participated in no other activities.

Accompanied by a representative of the Hupeh High Court, a few members of his family and a heavy police guard from the Police Bureau of the City Government of Greater Shanghai, Liu Lu-yin, whose extradition was granted by the First Special District Court Mar. 1, left for Hankow at 4 a.m. March 2 aboard the China Merchants s.s. *Kiangnan*. Mr. Liu will face trial before the Hupeh High Court in connection with the assassination of Gen. Yang Yung-tai, ex-Chairman of Hupeh, in Hankow last year.

Mr. Liu is head of the "Revolutionary Army Group" and the "China Youth Service Corps," two reactionary organizations, members of which have been actively engaged in assassinations in Shanghai, Nanking and Hupeh, according to information gathered by the *Central News Agency*. It is learned that Mr. Liu appropriated $2,000 as the running expenses of these organs and the funds were distributed through his close ally, Hsiao Ju-yin. Members were also sent to Kiangsu, Chekiang, Anhwei, Kiangsi and Hupeh as well as Nanking and Shanghai. These men received $1,000 monthly. Special emphasis was placed on Nanking and Hupeh. Following the murder last year of Gen. Yang Yung-tai in Hankow, the two assassins, Cheng Hsieh-chao and Kung Po-chou and another important culprit, Yang Chi-hsin, have been arrested. In thier confessions they revealed that one Yang Er-chien had been instructed by Liu Lu-yin to carry on his work at Hankow. It was originally planned that after Gen. Yang was assassinated the members would also kill other high government and Party officials. Detectives investigating the case learned that Yang Er-chien resided in Shanghai and went there to arrest him. Yang was not in when the police raided his house. Detectives, however, continued to keep a close watch on the premises. Later on one Hsiao Jo-hsu, who came to Shanghai from Hongkong was picked up by detectives when he called at Yang Er-chien's house. When questioned by the authorities Hsiao Jo-hsu declared that he met Hsiao Ju-yin in Liu Lu-yin's residence in Hongkong, who described the details of the assassination of Yang Yung-tai in Hankow. Hsiao Ju-yin, according to Hsiao Jo-hsu's statement to the authorities, urged him to go to Shanghai to urge Yang Er-chien to immediately return to the Colony. Hsiao Jo-hsu also declared that the assassination of Yang Yung-tai was instigated by Liu Lu-yin. It is reported that Liu is suspected to have been connected with the murder of Tang Yu-jen, vice-Minister of Foreign Affairs who was killed in Shanghai on Christmas night 1935.

The arrest of Mr. Liu in Shanghai for complicity in the assassination of Yang Yung-tai, has revived interest in the crime, which occurred on Sunday, Oct. 25, last year. Further details, now disclosed, indicate that besides the two assassins, Cheng Hsi-chao and Kung Po-chou, who directly committed the crime, 15 accomplices, including a woman, are being detained at the Military Prison in Hankow. Thirteen of these culprits were brought to Hankow from Nanking and Shanghai on Feb. 8. Two of them are university professors. An important suspect, named Yang Er-chien, is however still at large. That Mr. Liu was directly responsible for the assassination of Mr. Yang, is indicated in documentary evidence secured in Hongkong.

When Liu Lu-ying welcomed the late Hu Han-min back to China.—The picture was taken at Singapore in January, 1936, when Hu Han-min was on his way back to the Far East from a trip to Europe. Those standing are (left) T. K. Ching, now Vice-Minister of Industry, Carlos P. Romulo, well known Manila editor and Liu Lu-ying, former Director of the Publicity Department of the Kuomintang, who was arrested in Shanghai last week and taken to Hankow for trial on a charge of complicity in the assassination of ex-Hupeh Chairman Yang Yung-tai.

KWANGSI ORDERS REPRISALS FOR ARREST OF LIU

On Feb. 25, the day following the arrest in Shanghai of Liu Lu-ying, the Kwangsi Provincial Government ordered all district authorities in the province to suppress organizations which support the Nanking regime, according to *Shanghai Nippo* Feb. 26. The Kwangsi authorities regard the arrest of Mr. Liu as the first step in an attack on Kwangsi by the Central Government.

News of the arrest in Shanghai of Liu Lu-ying has caused a great sensation in Hongkong. According to a *Shanghai Mainichi* report Feb. 25, arrest of Mr. Liu is the discovery of a plot, in which Mr. Liu was allegedly involved, to overthrow the Nanking Government. It is a well-known fact that Mr. Liu was a supporter of the late Hu Han-min. Prior to Mr. Hu's demise, he was working actively to form a so-called New Kuomintang and was the actual leader of the Southwest politicians. With the death of Mr. Hu last May, the regime of Gen. Chen Chi-tang, Kwangtung warlord, collapsed and the Kwangtung-Kwangsi alliance was disrupted. This led to the dissolution of the Southwest political clique and Liu Lu-ying, as its leader, was obliged to lead an emigre's existence in Hongkong. With the outbreak of the Sian rebellion in December, Gen. Chen Ming-shu, leader of the People's Front movement, returned to China from the Soviet Union and attempted to give a helping hand to the Sian rebels. For this purpose, he united his own followers with the 19th Route Army, the Communists and the terrorist organizations led by the notorious Wang Yah-chiao. This new organization formulated many conspirative plans for the overthrow of the Nanking Government. Mr. Liu, sensing a good opportunity to re-establish the Southwest political grouping, joined the movement. But all its plans proved fruitless because of the refusal of the Kwangsi military leaders to participate.

Miss Hu Mu-lan, daughter of the late veteran Kuomintang leader, Hu Han-min, arrived at Shanghai Feb. 25. Asked regarding the arrest of her late father's close associate, Liu Lu-yin, Miss Hu declared that she knew nothing about the matter, until the reporters told her of the arrest, and that, therefore, she was not prepared to say anything.

With the reorganization of the Kwangsi military forces into the Fifth Route Army, the military headquarters in Nanning, the old provincial capital, will be abolished, according to *Central News*.

Owing to the fact that General Huang Hsu-chu, Chairman of Kwangsi, who has been designatied by the Central Government to administer the oath, has not yet returned to Kweilin from the Capital where he has been attending the 3rd Plenary Session of

the C.E.C., Generals Li Tsung-jen and Pai Chung-hsi have postponed assuming their new appointments as Commander-in-Chief and Vice-Commander-in-Chief of the 5th Route Army.

DR. WANG CHUNG-HUI SUCCEEDS GENERAL CHANG CHUN AS FOREIGN MINISTER

The resignation of Gen. Chang Chun from his post as Minister of Foreign Affairs was accepted by the Central Political Council at its meeting March 3. Dr. Wang Chung-hui, former Judge on the Hague Court and former Minister of Justice, was appointed to succeed Gen. Chang Chun at the Waichiaopu.

Gen. Chang Chun was appointed Secretary-General of the Central Political Council, and Tseng Chung-ming, former Vice-Minister of Railways, deputy Secretary-General.

The resignation of Ku Meng-yu from his post of Minister of Communications was also accepted by the Council, which promoted Gen. Yu Fei-peng, acting Minister, to the post of Minister.

Dr. Wang Chung-hui

Internationally known as a jurist, Dr. Wang Chung-hui, previous to his present appointment, has held several important positions in the Government since its establishment in Nanking. He was the Minister of Justice from 1927 to 1928; elected member of the Central Executive Committee of Kuomintang and the Central Political Council in 1928. He occupied the post as President of the Judicial Yuan from 1928 to 1931. He was elected judge to the Permanent Court of International Justice in 1930 and sailed for The Hague Holland, on April, 1931. He held the Hague post for more than four years and resigned it in 1936 in order to return to China. Born at Canton in 1882, Dr. Wang studied at Peiyang University, and later in Japan and America. He received his D.C.L. degree from Yale University in 1904. The following year he studied jurisprudence and international law in England, France and Germany. In the course of his postgraduate study, he was called to the English Bar at the Inner Temple, While abroad, Dr. Wang represented China on many occasions in international conferences. He was Chief Chinese delegate to the the League of Nations in 1921 and one of China's chief delegates to the Washington Conference. Dr. Wang was appointed Foreign Minister of China for the first time almost exactly 25 years ago immediately after the formation of the Nanking Provisional Government in March. 1912. When the Republican Government was later founded in Peking, Dr. Wang was appointed first Minister of Justice. Dr. Wang, in the course of his distinguished career, held many other important posts both at home and abroad. He first won international fame in 1904, when he translated the German Civil Code into English, which is being accepted as a standard work in legal classics.

GENS. HO AND YU SLATED FOR IMPORTANT POSTS IN CENTRAL CHINA

Two important posts are understood to have been marked out for Generals Ho Chu-kuo and Yu Hsueh-chung, former subordinates of General Chang Hsueh-liang, according to *Reuter* March 1. General Ho is to be made Governor of Anhwei in succession to General Liu Cheng-hua, who is ill, and General Yu is to become Pacification Commissioner of Anhwei and Honan. General Ho has commanded the former North-Eastern Army in Shensi since the departure of Chang, and General Yu is Pacification Commissioner for Kansu. Their new appointments indicate that the North-Eastern Army, which since the failure of the Shensi revolt has been stationed in northern Shensi, is to be transferred to Honan and Anhwei for reorganization and training. It was at first proposed to send them to Kansu, but many of the officers objected, while the poverty of the province was also a reason against this move. General Liu Shih, the present Pacification Commissioner of Honan and Anhwei, is expected to be appointed Governor of Kiangsi.

The transfer of the North-eastern troops eastward to Honan and Anhwei from Shensi and Kansu was to commence March 3. Several trains have been prepared by the Lung-Hai Railway authorities for their transportation. The second batch of ranking North-eastern commanders who will proceed to Fenghua to see General Chang Hsueh-liang and to receive instructions at Nanking from General Chiang Kai-shek arrived at Sian from their garrison posts March 1. They will leave by airplane upon the return of the first batch of six commanders.

NEW SHENSI CHAIRMAN RETURNS TO SIAN AFTER VISIT IN NANKING

Lieut.-General Sun Wei-ju, Commander of the 38th Army and concurrently Chairman of Shensi, arrived at Nanking from Sian on board the Eurasia airplane Feb. 25. Following arrival Lieut.-General Sun proceeded immediately to the Control Yuan to visit President Yu Yu-jen, who is a native of Shensi. He later called on Dr. H. H. Kung, Minister of Finance, and General Ho Ying-chin, Minister of War. Interviewed, he said that measures relating to the transfer of the various units in the two provinces of Shensi and Kansu to new garrison posts have been agreed upon between General Ku Chu-tung, Director of the Sian Provisional Headquarters of the President of the Military Affairs Commission, and General Yang Hu-cheng.

Instructions regarding the future administrative policies of the Shensi provincial government were given to Lieut.-Gen. Sun Wei-ju by Generalissimo Chiang Kai-shek in a two-hour interview Feb. 26. In the course of the interview Gen. Sun also made a detailed verbal report to the Generalissimo on the latest situation of Shensi following the liquidation of the Yang Hu-cheng mutiny, and was highly commended by the Generalissimo for his loyalty to the Central Government.

Definite assurance has been given by both Dr. H. H. Kung, Minister of Finance, and T. V. Soong, member of the Standing Committee of the National Economic Council, to assist Shensi in carrying out its political and economic rehabilitation program. According to Lieut.-Gen. Sun Wei-ju, Chairman of Shensi, who returned to Nanking from Shanghai at 7.50 a.m. March 2 by air and left for Sian by the same plane 10 minutes later—where he arrived in the afternom Gen. Sun, who interviewed both Dr. Kung and Mr. Soong in Shanghai, was accompanied in his return trip to Shensi by Major- Gen. Wu Ke-jen, Deputy Commander of the 67th Army, and five divisional commanders of Chang Hsueh-liang's army.

Economic and communication rehabilitation tasks are proceeding apace side by side with the readjustment of the political and administrative machinery in Shensi and Kansu. A representative of the National Economic Council is coming to Sian from Nanking to make first hand studies of the economic needs in the Northwest. Highway construction and long-distance telephone installation, it is learned, will feature the immediate communication rehabilitation progrem in the provinces of Shensi and Kansu.

GENERALISSIMO RECEIVES TUNGPEI LEADERS, CHANG PROLONGS STAY IN FENGHUA

Gen. Chiang Kai-shek, Chairman of the Military Affairs Commission and President of the Executive Yuan, received a party of six Northeastern generals, headed by Gen. Wu Keh-jen, commander of the 67th Army, who called on the Generalissimo at his private residence March 1. Gen. Wu and his five colleagues arrived in Nanking that morning from Chikow, where their former leader, Chang Hsueh-liang, is now staying. The "Young Marshal," according to Gen. Wu, is in the best of health. He spends most of his time in reading Chinese classics and practicing calligraphy, and occasionally takes to mountain climbing. Gen. Wu said the "Young Marshal" is planning to make a protracted stay in Chikow, and will shortly engage a tutor to give him private lessons in Chinese classics.

According to *Shanghai Nichi-Nichi*, Chang Hsueh-liang will assume an high official post in the Nanking Government. He will probably become the Vice-President of the Military Affairs Council in succession to Wang Shu-chang or take up a certain high military position, which practically offers no chances for him to engage in activities.

General Yang Hu-cheng, Pacification Commissioner for Shensi, left Sian for Sanyuan, 30 miles north of Sian, Feb. 26. Speaking to his troops, General Yang assured them of the goodwill of the Central authorities and the benevolence and leniency of General Chiang Kai-shek. He also announced that satisfactory arrangements had been made with General Ku Chu-tung regarding rehabilitation measures for Shensi.

The vanguards of the 17th Route Army under General Yang Hu-cheng, concurrently Pacification Commissioner for Sian, have arrived at Fushih, until recently the stronghold of the "Reds" in northern Shensi. Fushih is 240 miles north of Sian.

Sun Ming-chiu, ringleader of the second Sian uprising on Feb. 2, is now at Yunyangchen, a small town near Sanyuan in western Shensi, according to report received at Peiping from military sources. Sun, it is stated, is allying himself with Peng Teh-hui, the Red chieftain. Sun, it may be recalled, advised against the Shensi troops' joining the Government fold again after the Dec. 12 coup, and was responsible for the murder of a number of loyal Northeastern commanders, including Gen. Wang I-cheh.

A fierce battle between Government troops and the Red Army is now raging in Kansu province, reported *Shanghai Nippo* Feb. 24. In order to defend their positions, the Reds constructed fortifications in the Kanchow area but were forced to abandon them under the strong offensive of the Government troops. It is reported that a majority of the Red soldiers were disarmed.

According to *Shanghai Nippo*, Mao Tse-tung, leader of the Chinese Communist armies, has despatched 120 female Communists to various parts of China in order to spread Communist propaganda. This small army of propagandists is understood to be under the

command of Miss Ting Ling, the famous short story writer. The *Nippo* also reported that the Third International has adopted new methods of work in Japan. Due to the strength and vigilance of the Japanese police system, the Reds will in future concentrate their propaganda efforts among the Japanese intellectuals who reside in North China. It further reported that the Communists are now very active in the region controlled by the East Hopei government, especially in Tangshan, where the workers are being incited to strike.

REDS DEMONSTRATE SUPPORT FOR GEN. CHIANG, CHANGED BEHAVIOR PRAISED

That the Communists have abandoned their anti-Government propaganda and are demonstrating their support for Gen. Chiang Kai-shek was reported by a recent arrival in Peiping from Shensi and Kansu, according to a report in the *North China Daily News* Feb. 28. The Communists appeared to be well-disciplined, peaceful and no longer hostile towards Nanking. The report that the Communists had accepted Nanking's terms gained wide circulation, although it still lacked definite confirmation.

The situation in Shensi still presents many ugly features, wrote the Sian correspondent of the *North China Daily News* Feb. 23. As far as the Nanking Government is concerned the Sian revolt is ended. A strong government base has been established in Sian under the command of Gen. Ku Chu-tung. The whole of the Wei River Valley on the south side of a stretch of 300 miles from Tungkwan, in the east, to Paochi, in the west, is also occupied by government troops. No trouble need be anticipated in this area. But on the north side of the valley, it is a different story. The Wei River is the dividing line between the loyal troops of the Central Government and the disaffected remnants of Chang Hsueh-liang's army. South of the river, peace and order reign supreme, but the north side constitutes an armed camp where military depradation and pillaging is plunging the whole countryside into ruins. As soon as one crosses the Wei River at Ts'ao T'an, ten miles north of Sian, a totally different atmosphere prevails. Signs of military activity are evident in all directions. Gen. Yang Hu-chen's troops are busy repairing the motor road which passes through Sanyuan to the north of the province. The reason for this is that bitter feeling exists between Gen. Yang Hu-chen's troops and the remnants of the Northeastern Army.

For some reason possibly connected with the assassination of Wang I-chih, these Tungpei troops are in an ugly mood. They are out to wreck vengeance upon Yang Hu-chen, because he made terms with the Central Government and foiled their plot of killing the senior commanders and continuing their resistance to Nanking. A few days ago, they sacked Gen. Yang's ancestral home at Pucheng and plunged the whole city into ruin. In the street fighting that ensued, 80 of the towns people were killed. Hence, the extremely tense situation which now prevails north of the Wei River. Both sides are digging trenches against each other and there is every possibility of a calsh between the Tung-pei troops and Yang's forces. The presence of so many disaffected troops in this area constitutes a real menace. The morale of these troops has completely given way and they differ little from bandits. Many cases of highway robbery are reported.

In contract to the behaviour of these troops, the reputation of the Communists stands very high. Throughout the whole of this area so recently occupied by the Communist soldiers, the people sound their praises and tell stories of their marvellous ability to undergo hardship, and of their kindness to the people. In no single instance, so far as I am aware, did they quarter themselves upon people who were unwilling to have them. They paid full value for everything that they used, and, when leaving a village, they cleaned up their messes and swept the rooms and yards tidy. Contrasting the attitude of the Reds during their temporary occauption of the Sanyuan area with their attitude in the north of the province, where they are in permanent and sole possession, more or less, one is inclined to think that they were on their best behaviour and out to create a very favourable impression. That they succeeded beyond all expectation there can be no doubt. It would not be wise to place too much confidence their in so-called change of policy until they can show much better results in the district where they have things all their own way.

Two Communist organs were raided by detectives of the Municipal Police Bureau at No. 4 Tangchia Terrace and at No. 2 Shengchia Terrace in Tientsin Feb. 22. While welcoming the resolution passed by the Third Plenary Session of the C.E.C. of the Kuomintang on the subject of cooperation between the Central Government and the Communists, the *Shanghai Nippo*, in an editorial urges the Government to resume its bandit-suppression policy and thereby "pass from words to deeds." "The C.E.C. resolution," the paper declares, "will be welcomed by Italy and Germany and it will not find disfavor with Great Britain and the U.S.A. The only country which detests the resolution is the Soviet Union."

Gen. Chiang Kai-shek, President of the Executive Yuan, and Madame Chiang and a large number of high government officials attended a memorial service held Feb. 23 at the Officers Moral Endeavor Association for the martyrs who died during the Sian *coup d'etat* last December. The ceremony was officiated by Generalissimo Chiang, whose safety the martyrs guarded with their lives in the Sian mutiny. A pathetic scene was witnessed when several young children of the martyrs appeared on the platform to thank the audience for their respect shown to their deceased fathers.

The children of the late Shao Yung-chung, former chairman of the Party History Compilation Committee, will receive a monthly grant of $400 from the National Government for educational purposes. The Ministry of Finance has been instructed to remit the allowance accordingly. The late Mr. Shao was killed during the Sian mutiny last December.

PANCHEN LAMA REPORTED COMING TO PEIPING THIS MONTH

Because of divers difficulties, the Panchen Lama will not return to Tibet but will go to Peiping in March. After a short stay in Peiping, the Tibetan dignitary will proceed to Nanking to call on the Central authorities, reported *China Evening News*, Feb. 25.

The promotion of reconstruction, the popularization of mass education and the development of highway communications will be the main work of the Panchen Lama when he returns to Tibet, according Chu Fu-nan, deputy director of the Living Buddha's Nanking Office. Mr. Chu said that the Panchen Lama is at present staying in Yushu on the Chinghai-Sikong border. He will leave for Lhasa in March via Sikong.

The Tibetan authorities in Lhasa are again urged by General Wu Chung-hsin, Chairman of the Mongolian and Tibetan Commission, to send a high official to reside permanently in Nanking as Lhasa's representative. Not long ago the Tibetan authorities accepted in principle the suggestion of General Wu for the appointment of such a representative, whose presence in Nanking would help further cementing the relations between Lhasa and Nanking.

KAWAGOE ARRIVES NANKING, BRANDED "WOODEN IDOL" BY TOKYO M.P.

S. Kawagoe, Japanese Ambassador to China, and Madame Kawagoe, returned to Nanking from Shanghai by train March 2. *Shanghai Nichi-Nichi* reported March 2 that Mr. Kawagoe will interview General Chiang Kai-shek with the object of tendering condolence to him on his recent detention in Sian. The date, scheduled for the interview, is, as yet, undecided. This interview will only be a ceremonial meeting, at which Ambassador Kawagoe will not mention the resumption of Sino-Japanese negotiations.

Both Mr. Kawagoe and Y. Suma (former Japanese Consul-General in Nanking) were severely censured by Jugi Kasai at a meetnig of the Lower House on Feb. 27, according to Hansard report available on March 2. Mr. Kawagoe was described as a "wooden idol," while Mr. Suma was branded "haughty and arrogant," by the parliamentarian during the debate on Feb. 27. The inactivity of Mr. Kawagoe after the outbreak of the Sian coup provided the chief cause for Mr. Kasai's grievance. He recalled that as soon as Generalissimo Chiang Kai-shek's detention in the Shensi capital was known, both the British and American ambassadors, as well as other diplomatic representatives in China, immediately called on the Waichiaopu and extended their sympathies. Mr. Kawagoe was rightly expected to do the same thing, as every one who is acquainted with the spirit of Oriental ethics and the essence of Japanese Bushido should do. Instead, Mr. Kawagoe sat all the time complacently like a "Wooden Idol" and did nothing. Mr. Kasai said if the Government intended to reorientate its China policy, it should be time now for the recall of such a "disgraceful" envoy. Mr. Kasai then applauded the Government's action in recalling Y. Suma, the "haughty and arrogant" Consul-General in Nanking and said Mr. Suma's recall should be quickly followed by that of Mr. Kawagoe.

Vitriolic criticisms were passed on Mr. Kawagoe by Setsuo Kotani, veteran parliamentarian, at a sub-committee meeting in the Lower House March 2. Branding the Japanese envoy as not a first class man, Mr. Kotani belittled Mr. Kawagoe's personality and ability and expressed surprise at his rapid promotion. Mr. Kotani recalled the Mogi embezzlement case in Tsingtao several years ago to justify his severe assault on the Japanese ambassador. More than Yen 100,000 from public funds were embezzled by Mr. Mogi, the vice-consul in Tsingtao, when Mr. Kawagoe was the Consul General, and yet not only was he not punished for his negligence, but he was quickly promoted to the highest position in Japan's diplomatic service. Mr. Kotani wanted to know why. Replying, Gen. Hayashi, the Premier, admitted that he himself was not very clear as to the circumstances leading to the appointment of Mr. Kawagoe as ambassador. He supposed, however, that the appointment was made because Mr. Kawagoe was considered to be the most adequate person to fill the post at that time.

JAPANESE BANKER URGES ADOPTION OF NEW CHINA POLICY BY TOKYO

Seiji Yoshida, chairman of the Japanese Chamber of Commerce and Industry in Shanghai and Manager of the Shanghai Branch of the Mitsubishi Bank, urges a reorientation by the Japanese Government and the people of their traditional attitude toward China, according to a Tokyo report by the *Central News*. The new concept of China as proposed by Mr. Yoshida is strongly brought out in a pamphlet he has issued through the Tokyo Chamber of Commerce and Industry, pointing out the strengthening

of the Chinese Government. Mr. Yoshida believes that the present is an opportune moment for the Japanese Government and people to rectify their erroneous China policy as hitherto adopted. The National Government of China, the Shanghai banker stated, is now completely secure with capable hands in control of the nation's finance and economy. Japan, Mr. Yoshida averred, has always thought that the National Government of China will rise or fall together with the so-called Kiangsu and Chekiang financiers, but now the Government is closely tied with the economic interests of the entire nation, which is a phenomenon unprecedented in Chinese history.

Japan, Mr. Yoshida added, has always thought that China lacks unity and that the Chinese people are as incohesive as sand, but now the sand is hardening like cement, which is a logical reaction to the pressure as applied by Japan and other countries. Scoring the opinion as embraced by some Japanese that China's financial condition is shaky, Mr. Yoshida asserted that China's financial structure has become firmly laid as has been proved by the considerable improvement in her international payments.

HAYASHI JUSTIFIES HUGE EXPENDITURE TO MAKE ARMS PREPARATIONS TOWARD CHINA

Fears that the Army's six-year replenishment program might be drastically revised during its execution was expressed March 1 by a member in the Lower House, who queried the War Ministry's intentions regarding its army replenishment scheme vis-a-vis China. The War Minister, General Sugiyama, replied: "If the Army definitely decided to make arms preparations toward China, extremely huge appropriations would be necessary. The Army, however, hopes that the Government's announced policy towards China will be carried out."

OBATA DECLINES APPOINTMENT AS FOREIGN MINISTER

Gen. Senjuro Hayashi, Prime Minister and concurrently Foreign Minister, has abandoned his efforts to persuade Torikichi Obata, a retired diplomat, to assume the direction of the Gaimusho. Mr. Obata, who once served as Ambassador to Germany and Minister to China, figured prominently in a diplomatic dispute between Tokyo and Nanking, when the latter refused to accept his second appointment to China in 1931 for political reasons. Mamoru Shigemitsu, now Ambassador in Moscow, was subsequently appointed to the post originally intended for Mr. Obata. Premier Hayashi has approached Mr. Obata through an intermediary, but the 64-year-old former diplomat declined the Foreign Affairs portfolio on the grounds of ill-health.

JAPAN TO SEND ECONOMIC MISSION TO CHINA THIS MONTH

In accordance with the principle of economic diplomacy of the Hayashi Cabinet, an economic mission headed by Chokiuro Kadono will be sent to the United States and Europe. On the heels of this decision another economic mission has been formally decided to be sent to China. This mission will go to China, headed by Kenji Kodama, formerly president of the Yokohama Specie Bank and for many years president of the Sino-Japanese Businessmen's Society, to return the courtesy of a Chinese mission which visited Japan in 1935 under Wu Ting-chang. The mission to China will leave Japan on March 12. The members of the Mission will exchange views with Chinese leaders at a meeting of the Sino-Japanese Trade Council to be held at Shanghai beginning March 15 on adjustment of Sino-Japanese diplomacy along economic lines.

The Sino-Japanese Businessmen's Association announced March 1 the names of its delegates to the general meeting of its Chinese counterpart opening in Shanghai on March 18. The group will include the following businessmen:

Noboru Otani, President of the Nippon Yusen Kaisha, Japan's largest shipping firm; Keizaburo Kato, President of the Bank of Chosen; Hyakutaro Miyakegawa, adviser to the Mitsubishi Trading Company; Seijiro Miyajima, President of the Nisshin Cotton Spinning Company; Reisuke Ishida, managing director of the Mitsu Bussan Kaisha; Arata Hori, President of the Nisshin Kisen Kaisha, operating ships along the China coast and the Yangtsze River; Akiyoshi Akiyama, adviser to the Mitsubishi Goshi Kaisha; and Kyoichi Yutani, Director of the Sino-Japanese Businessmen's Association.

Kenji Kodama, who will head the group of 12 Japanese bankers, industrialists and businessmen to visit China in the middle of March, denied March 2 that he would be entrusted with an "important mission." The retired banker also doubted if any definite negotiations would take place during the party's one-week visit, but declared that it would "doubtlessly prepare the ground for economic co-operation between Japan and China." Rumors that Mr. Kodama would discuss a possible reduction of the Chinese tariff on Japanese goods were emphatically denied.

The Sino-Japanese Trade Association will hold its first general meeting on March 18 at the Pootung Native Guild building in Shanghai, according to a decision reached at its executive conference Feb. 25. On the same day the Association will give a welcme party to the Japanese Economic Mission which is scheduled to arrive in China some time in the middle of next month. Those present at the meeting included Chow Tso-min, president of the Kincheng Banking Corporation and Chairman of the Association, Yu Ya-ching, Yung Chung-ching, Tu Yueh-sen and O. S. Lieu.

Seven newspapermen from Foochow, Amoy, Chuanchow and Changchow will leave Foochow on March 15 for a two-week tour of Formosa, according to *Domei*. The trip reciprocates the recent visit to Foochow of Formosan newspapermen.

SINO-JAPANESE CONFLICT IS INEVITABLE, SAYS "SHANGHAI MAINICHI"

Commenting on the attitude adopted by the Third Plenary Session of the Kuomintang in Nanking towards Japan and its policy in dealing with Sino-Japanese relations, the *Shanghai Mainichi* in its editorial March 1 wrote:

"China will sooner or later wreck the existing situation in North China; that is, to abolish the political powers of Hopei-Chahar and Eastern Hopei, so as to restore Chinese sovereign integrity. As the policy of Japan is centered in creating a special status in North China, so as to eradicate anti-Japanese and balk the Communist influence, the Japanese authorities have a firm determination to do away with any attempt of the Chinese authorities to abolish the existing status of North China.

"To sum up, viewing the attitude of the Third Plenary Session towards Japan, China seems to entertain a moderate gesture, but, in fact, she has rushed preparations for an anti-Japanese war. With the impending crisis of a Sino-Japanese conflict, we should warn China of the forthcoming catastrophy as a result of her anti-Japanese policy. Should we ignore this point, a Sino-Japanese dispute in North China will be inevitable."

Shanghai Nichi-Nichi reported Feb. 24 that General Chiang Kai-shek, who seemed to be inactive at the Third Plenary Session of the Kuomintang, will hereafter endeavour to rush preparations for war on Japan, doubling his efforts to check the Japanese advance externally and positively make preparations for resistance against foreign invasion internally, in an attempt to show that the Nanking Government is not continuing its humiliating policy so as to soothe the attack from the Communists.

Unless Japan and China take immediate steps to break the existing diplomatic deadlock, the just-completed session of the Kuomintang would serve as a "curtain-raiser" for the gradual revival of anti-Nipponism in this country, the *Shanghai Nippo* said Feb. 22. China's Japan policy, enunciated in the Session manifesto, is "ambiguous", said the journal. The daily also predicted that the relations between the two countries would take no sudden turn for the worse, but that China would accelerate her preparations for action against her neighbor. The denunciation of Communism made by the Kuomintang indicates the stability of the National Government and the victory of the "Chiang-Wang" administration over the rival factions, the daily concluded.

GEN. SUNG CHEH-YUAN SUMMONS IMPORTANT MEETING AT TIENTSIN

Following the return to Tientsin of Chin Teh-chun, Mayor of Peiping, from Nanking, General Sung Cheh-yuan summoned an important conference there Feb. 28 to discuss measures to cope with the present crisis in North China. At the meeting, Mr. Chin is said to have announced the instructions of the Central Government regarding the present affairs in North China.

Interviewed by the Tientsin correspondent of *Shanghai Mainichi*, Mayor Chin stated as follows:

"The main problems, which were discussed at the Session, centered on foreign policy and the anti-Red defense. As a result of the Session, the views of all participants on these two problems were in complete accord. The Central Government leaders were very much concerned with the North China problem. General Chiang Kai-shek was interviewed three times and he has now a full understanding of the North China problem."

Mayor Chin added that the Central Government fully realizes the difficulty of the North China authorities, and that the measures adopted at the 3rd Plenary Session are quite adaptable to the present condition in the North, reported *Shun Pao* Feb. 28.

In order to increase the efficiency of its administrative organs, the Hopei-Chahar Political Council has appointed Yang Chao-keng, Director of Political Affairs, to the post of Secretary-General of the Council. Chen Chueh-sen, Managing-Director of the Peiping-Liaoning Railway, has been appointed chairman of the Foreign Affairs and Communications Committees of the Council, while Wang Shih-chiu has been named successor to Mr. Chen.

Gen. Hsiao Chen-ying, former Mayor of Tientsin and member of the Hopei-Chahar Political Council, has decided to leave for Europe on April 2 aboard the s.s. *Victoria*. Gen. Hsiao told the *Central News Agency* in an interview that his forthcoming trip will be to inspect the industrial conditions of the various countries in Europe and America. He will first visit Italy, Germany, England, France and Soviet Russia and then cross the Atlantic to America. He will return to China via Japan after six months. North China, according to Gen. Hsiao, is quiet at present. Japan's policy towards China, he said, has evidently been modified.

Two reactionary organs allegedly supported by "certain quarters" to create disturbances in Tientsin were raided by the local police Feb. 22. Two arrests were made and large numbers of pamphlets and banners seized.

Large-scale maneuvers of the Chinese troops in Suiyuan will be staged on March 16 at Kweisui, according to reports received

at Peiping. No less than 50,000 soldiers will participate in these maneuvers.

Assurances that the Central Government will take immediate steps to aid the famine stricken Mongols in Suiyuan were made personally by Gen. Chiang Kai-shek on Feb. 24 to Prince Sha, representative of Prince Yung, former Chairman of the Mongolian Political Council at Pailingmiao. Prince Sha called on the Generalissimo Feb. 24 and submitted a report on the latest situation in the Olanchab League and the destitute conditions of the officers, lamas and civilians in the Darha Banner.

T. V. SOONG TO HEAD NATIONAL ECONOMIC COUNCIL

In view of the importance of the National Economic Council, which is entrusted with the carrying out of the reconstruction plan adopted at the Third Plenary Session of the Central Executive Committee of the Kuomintang, the Central authorities have decided to convert the standing committee of the Council into a directorate. According to well-informed circles, T. V. Soong, chairman of the Board of Directors of the Bank of China, will be appointed director. It is expected that this will greatly increase the efficiency of the Council. At present, Gen. Chiang Kai-shek, Wang Ching-wei, Dr. H. H. Kung, Sun Fo, and T. V. Soong are members of the standing committee of the Council.

REPORTED DEMANDS SUBMITTED TO KUOMINTANG C. E. C. SESSION

According to *Kang Pao* Feb. 18, the following proposal was submitted by Gen. Yen Hsi-shan to the Third Plenary Session of C.E.C.:

(a) Abolition of the Hopei and Chahar Political Affairs Council.
(b) Abolition of the Eastern Hopei Puppet Regime.
(c) Recovery of the six hsiens (districts) in Northern Chahar.

The proposal submitted by Gen. Feng Yu-hsiang, consists of the following points:

(a) An immediate campaign to effect the recovery of Manchuria.
(b) Alliance with the friendly powers.
(c) Cessation of the campaign against the Chinese Communists.
(d) Protection of the patriotic movement in China.
(e) Freedom of speech and assembly.

The main points of the proposal submitted by Gen. Li Chung-jen of Kwangsi and Gen. Liu Hsiang of Szechuen are:

(a) The commencement of a resistance campaign against the Japanese.
(b) Training of Chinese citizens for an effective resistance against the Japanese.
(c) Protection of the people's patriotic movement and the augmentation of the power for national salvation.

The main points of the proposal submitted by commanders of the Northwestern Army are:

(a) A regional agreement with the Chinese Communists.
(b) Readjustment of the administration of the Provinces of Kansu and Shensi.

According to a *Ta Kung Pao* report Feb. 22, the preliminary election of representatives to the People's Congress has been completed, except in Hopei, Chahar and overseas. Since the Congress will not meet until nine months from now, there is ample time to elect representatives to attend the Congress from all areas.

Outstanding Events in January

(*Recently a subscriber suggested that instead of publishing the "outstanding events" annually, they should be run month by month. The Management of* The Review *concurs in the suggestion and publishes the January "events" herewith. Readers noticing errors or omissions will confer a favor by writing the Editor*).

3.—New Year Day enthusiastically celebrated in Nanking. Chairman Lin Sen broadcast speech on "National Regeneration by Self-Reliance."

2.—General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, left Nanking for Fenghua, his native place, by airplane. He arrived there in the afternoon.

3.—Japanese airplanes flew over Tsingtao, dropping "Manchukuo" propaganda leaflets. Tsingtao Municipal Government protested to Japanese Consul against this incident.

4.—Chang Hsueh-liang granted special pardon by National Government in Mandate from his ten-year prison term.

5.—Executive Yuan appointed General Ku Chu-tung Director of the Generalissimo's Provisional Headquarters at Sian, General Sun Wei-ju Chairman of Shensi, and General Wang Shu-chang Pacification Commissioner of Kansu. Generals Yang Hu-cheng and Yu Hsueh-chung were dismissed from their respective posts as Pacification Commissioner of Shensi and Chairman of Kansu, but instructed to remain in office for the time being.

6.—National Government ordered abolition of the Northwest Bandit-Suppression Headquarters.

6.—Ministry of Foreign Affairs protested against Japanese air-planes distributing propaganda leaflets in Tsingtao.

7.—A secret service organ maintained by Japanese ronins in Chengchow, Honan, was raided by local police.

8.—Ministry of Foreign Affairs protested to Japanese Embassy against the Chengchow affair.

10.—Important documents containing plots to create serious disturbances were seized in Japanese Special Service organ in Chengchow.

11.—Gen. Yang Hu-cheng left Sian and took up residence in Lintung. Troops of Gen. Feng Chin-chai (loyal to Government) clashed with the Northwest rebels.

11.—W. M. Kirkpatrick, Special Representative of the Exports Credits Guarantee Department of the British Government, arrived at Shanghai.

12.—Chen Chung-fu resigned as Chairman of the Foreign Relations Committee of the Hopei-Chahar Political Council and Chiao Teh-yao was appointed his successor.

13.—Situation in Shensi and Kansu tense with arrival of Communist troops near Sian.

13.—Chang Hsueh-liang flew from Nanking to Fenghua to interview General Chiang Kai-shek.

13.—First batch of foreign refugees arrived at Nanking from Sian by an Eurasia plane.

14.—Considerable troop movements going on in Sian. Communist leader Mao Tse-tung was reported to have arrived at Sian and accompanied Yang Hu-cheng to Weinan to inspect the troops.

14.—Wang Ching-wei, Chairman of the Central Political Council, arrived at Shanghai from abroad.

14.—Dr. Wang Chung-hui and Ma Liang elected members of the National Government Council at meeting of Standing Committee of the Central Executive Committee.

15.—Mi Chung-lin, Pao Wen-yueh and Li Chi-kang, emissaries of Gen. Yang Hu-cheng and other Northwest leaders, arrived at Nanking to negotiate for settlement of the Northwest situation. They left for Fenghua the following day to interview General Chiang Kai-shek.

18.—Wang Ching-wei issued important statement upon arrival at Nanking.

18.—Foreigners in Sian departed for Loyang.

18.—Japanese military officers in North China held conference at Tientsin.

20.—Mi Chung-lin and Li Chih-kang returned to Sian to transmit the Central Government's decisions to Gen. Yang Hu-cheng and other Northwest leaders.

20.—More foreigners departed from Sian.

20.—General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, issued statement to Hopei-Chahar people, declaring that suppression of Communists must not be regarded as civil war.

21.—General Sung Cheh-yuan and General Tashiro exchanged views on the situation in North China.

22.—Prospect for peaceful settlement of Shensi-Kansu situation gloomy.

22.—Wang Ching-wei broadcast important speech at Nanking.

24.—Wang Ching-wei flew to Fenghua to see General Chiang Kai-shek.

24.—More than seventy workers on the Chientang River Bridge in Hangchow drowned as boat carrying them aboard overturned.

25.—Ministry of Foreign Affairs filed formal protest with the Japanese Embassy against the Chengchow affair.

26.—General Sung Cheh-yuan called on General Tashiro at Tientsin and exchanged views with him on plans for the economic development of North China.

26.—The Canton-Hankow Railway Administration sought $5,000,000 loan from the Bank of China.

27.—Wang Ching-wei returned to Nanking from Fenghua by airplane after meeting General Chiang Kai-shek.

27.—General Tashiro conferred with General Sung Cheh-yuan on Sino-Japanese situation in North China.

28.—Fifth anniversary of Sino-Japanese War in Shanghai quietly observed throughout the country.

28.—Li Shih-hao, former Minister of Finance, arrived at Tientsin in response to summons from General Sung Cheh-yuan to discuss plans for economic development of North China.

28.—Dr. W. W. Yen, former Ambassador to U.S.S.R., arrived at Nanking from Tientsin to interview Wang Ching-wei and Dr. H. H. Kung.

28.—President Manuel Quezon of the Philippine Commonwealth arrived at Shanghai en route to the United States and was decorated by Chinese Government.

29.—General Yang Hu-cheng's troops began withdrawal from Sian to Sanyuan and Weipei.

29.—Wang Ching-wei petitioned for pardon of the culprits involved in the attempt to assassinate him on October 1, 1935.

31.—The Chang Hsueh-liang troops in Northwest insisted on the return of Chang to Sian to address them before they would withdraw from the front.

31.—General Chen Cheng, Vice-Minister of War, declared that force would not be employed to settle the Shensi impasse until there was absolutely no hope of settling it otherwise.

China's "New Deal" County Near the Capital

BY FRANK W. PRICE*

SOUTH and east of Nanking and the municipal area outside of the city walls is the *hsien* or county of Kiang Ning (江寧).

A familiar landmark in the center of this county is the butte called Fang Shan or Square Mountain, known to western friends as Table Mountain, which may be seen from any high point in the capital. Around its base winds the famous Ching Huai River. On the north the county reaches to the Chi-hsia and Lung-tan mountain ranges and the Shanghai-Nanking Railway. Westward the county touches the Yangtze River. The southern and eastern sections are more level and here one may see in early September waving fields of golden rice as far as the eye can reach. The county is full of interesting and historic places and there are few villages but have in or near them some old monuments and relics or some picturesque scenes of natural beauty.

Upon the 900 square miles in this county, one-half hill land, live over 450,000 people. Farming is the chief occupation, —wheat, rice, beans, corn, sweet potatoes, cottons the chief crops. Some fruit is now raised. Every day is market day in the 35 market-towns, the largest of which, Hushu, is often called "little Nanking," or "country Nanking." Around each market town is a cluster of villages—1557 in the whole *hsien*—where the farmers have their homes and from which they go off to work in their fields. The average farm is only about 15 *mow* or 2½ acres in size. Many of the villages have a prosperous appearance because of large buildings which were constructed in the Ming Dynasty but the interiors generally show signs of the vandalism of the Taiping rebels seventy years ago. A few patriarchs of the villages can tell stories of those days of terror, of how the people were scattered for ten to twenty years and the farms became a wilderness. Now the struggle is against flood and drought, poverty and debt, and disease, and the many forces that hinder the richest development of rural life.

A few years ago Kiang Ning was like most counties in China. Officials in the hsien government were constantly changing. Taxes were paid to tax-collectors; less than half the amount paid reached the government treasury and still less went into public services. There were but few good county schools and teachers' salaries were six to ten months in arrears. Communications were poor; old stone roads were falling into disrepair. Banditry was common especially in hilly sections. There was no health program, no plan for training and organizing the villagers. Institutions such as the University of Nanking were doing some agricultural extension work but the government was not interested in the people.

A Demonstration Hsien in Self-Government

Then, in February, 1933, just four years ago, Kiang Ning was made a *demonstration hsien* in self-government (自治實驗縣). Experimental *hsien* such as Ting Hsien, headquarters of the Mass Education Movement and Tsouping in Shantung had attracted nationwide attention. The movement for county administration reform was beginning. Dr. Lo Chia-lun, then president of Central Political Institute, was keenly interested and secured the support of other government leaders for an experiment near Nanking. By special arrangement with the provincial government the county of Kiang-Ning was designated as a laboratory for four years. Professor Mei Sze-ping, of Central Political Institute, an authority on local administration and public finance, was appointed magistrate. The New Deal was launched.

It happens that part of my work for the past six years has been at a rural service center in Kiang Ning county. So I have had the privilege of observing the changes which have taken place during these years and the remarkable program of reform carried on by the new county administration together with its effects upon the people. I am glad to give my unsolicited testimony to the value of this experiment in local government and to its significance for all of China. A review of some of the achievements of these four years will be of interest, I am sure, to many who are interested in national progress and rural reconstruction.

As soon as Magistrate Mei took office a group of younger and better trained men, mostly graduates of the Central Political Institute, were placed in important positions. Reforms began with the taxation system. All land was registered—an exceedingly difficult task since so many deeds and land records had been lost in the Taiping rebellion. After eight months of hard effort 38% of the total area of the county had been registered as private farm-land. The total cost of registration amounted to a half cent per *mow*. Tax rates were scaled according to the value of the land, from 3 cents per *mow* tax on newly opened hill land up to 89 cents per *mow* tax on the best rice land. Tax collectors were abolished and farmers were instructed to pay their taxes direct to a branch of the Farmer's Bank at the county seat. Although the tax rate is slightly lower than before yet the income from taxes has been more than doubled. In 1930 total receipts were $473,755; in 1933 $901,276; in 1936 they were $930,930. Twenty-eight per cent of this amount is provincial taxes which Kiang-ning hsien is allowed to use during the experimental period. The total tax is thus less than two dollars per capita. Along with taxation reform has gone the development of a business-like and efficient budgeting and accounting system. The people's money is beginning to benefit the people. Out of this year's budget of a little over half a million dollars for the regular work of the hsien 36 per cent goes for education, 22 per cent for the well-organized police system, 8 per cent for agricultural improvements, 7 per cent for the public health program. Administrative expenses amount to less than 10 per cent of the total budget. In addition there are appropriations each year for construction work, new schools and other special projects.

The hsien *yamen* or county seat was formerly in Nanking city. Soon after the new program was begun another site was selected near the little town of Tushan, now called Tongshan, six miles southeast of the Chung Hwa Gate. With funds realized from the sale of the old property in the capital a new hsien city has been laid out in country surroundings and substantial, beautiful buildings in simple Chinese renaissance architecture have been erected, suited to new needs and new methods of county administration. A good motor road now connects this important center with Nanking. All officials of the county government have moved to the country, living near their work and near the people they are serving. Over half of the officials, by the way, are graduates of colleges or technical schools, and a large majority are vigorous young men, under forty years of age.

A Simple System of Election

The county government has six *k'o* or departments. The first, *Min Chen k'o*, or the Department of Civil Affairs, directs the 35 townships and 53 villageships or village-groups in self-government. In the autumn of 1936 the village people elected their own town and village councils for the first time, by a simple system of putting bamboo sticks into boxes marked with names of candidates. All registered citizens were entitled to two votes.

The good order maintained and the great interest shown in these elections exceeded expectations and give hope to all who are interested in the development of an intelligent rural democracy. The Department of Civil Affairs has the best records of vital statistics of any county in China. There is a complete card index of every family in the hsien. The reports received each month from the 88 *hsiang chen so* or townships and villageships are carefully tabulated and analyzed. Here are some random facts from the records which will interest rural sociologists. The total population at the end of January was 91,988 families and 450,776 persons or 4.9 per family. Fifty-five per cent are men. The birth rate is 34 per 1000, the death rate 22. Records are kept of eighteen causes of death. Thirty-six per cent of the population are children under 16 years of age. There were 5185 weddings in 1936, four-tenths of these being in the months of January and December. Twelve and-a-half per cent of the adults above school age are literate. There are 471 monasteries and temples in the hsien, with a property value of nearly $900,000.

An outstanding piece of work under this same department is the health program. The Health Administration of the National Government and the Rockefeller Foundation are giving special aid in funds and personnel to the experiment in Kiang-ning Hsien, with the result that the work in two years has become a model for the whole nation. The program is under the direction of Dr. Hsu Shih-chu, a graduate of Cheeloo Medical School and Peking Union Medical College, and an unusually capable organizer and leader. Near the hsien government is a Health Center, Wei Sheng Yuan. In larger towns of the county are six health stations and four sub-stations. These do free clinical work, give vaccinations, promote enviromental health, improve sanitation, give health education in schools and to rural communities. On the staff of these health center and health stations are 10 doctors, 15 public health nurses, 5 midwives, 2 sanitary inspectors and other assistants and workers employed by the hsien government. Nearly 150,000 clinic treatments were given last year, and over 30,000 persons were vaccinated. First-aid medicine boxes are placed in each of the 89 town end village council offices and in police stations. The school health system now reaches 75 schools. An improved model of public toilet, the Java model, is being introduced throughout the county. Public health associations have been formed in several communities. The cleaning of streets, the screening of food in the summer time, designation of certain ponds for drinking water only or digging of wells, modern midwifery and the better care of infants—these things are coming gradually in all the villages. Many doctors and nurses preparing for rural service now come to Kiang-ning-hsien for periods of special training and field practice.

***This is the text of a radio talk delivered recently over the Central Broadcasting Station at Nanking by Prof. Frank W. Price, who is a member of the faculty of the Nanking Theological Seminary.**

The second department, the *T'sai Chen Ko*, or Department of Finance, is responsible for the new system of taxation and accounting which I have already mentioned. The third department, the *Kung An Ko*, has charge of public safety. The 704 employed police, one to every 650 inhabitants, maintain good order, and render many public services. Rural police stations may arrest offenders but not detain them more than 24 hours. Serious cases are sent to the county seat. Compared with six years ago the standard of police officers and of policemen is notably higher. Another support for good order is the *pao-chia* or mutual guarantee syste, introduced into this *hsien* last year, and now quite common in many provinces. Also, 50,000 young men are being enrolled in the citizenship training courses which include three months of military training. The villagers are being taught to protect themselves and each other.

In education, which is the task of the fourth department, the *Chiao Yu Ko*, striking progress has been made during the past four years. The old-type private school has been closed or made to conform to modern standards. In the town which I visit each week five private schools were closed and one consolidated primary school of six grades was established, which now has an enrollment of 200 pupils. The are today in the county 90 main primary schools and a total of 479 schools, branch schools and extra grades. Over two-thirds of these are supported entirely by the government and one-third are given grants-in-aid. Over 24,000 children, 55 per cent of the school age children are in school. Four years ago there were only one-third as many schools and one-seventh the present number of pupils. There are 574 teachers, 42 pupils to a teacher, and 90 per cent of the teachers are men. Of the pupils 81 per cent are boys, 19 per cent girls. Primary education costs the government $6.43 per pupil. In connection with the primary schools are 189 mass education schools with over 8,000 students. This may seem a large number but represents only one out of every 37 illiterate adults. The standard of teachers is steadily rising; nearly 60 out of hundred have had normal school or senior middle school training. Salaries have been increased and are now paid regularly. But since three-fourths of the teachers receive $25 or less a month it is still difficult to keep the best trained men and women for long periods in rural education.

Construction Department Touches Life of Farmers

The fifth department, the *Chien She Ko* or Construction Department, touches the life and needs of the farmers very intimately. The county has built 58 kilometers of new motor roads which are now open to bus traffic and which have greatly improved facilities for communication and transportation of produce to market. The bus station at Shunhwachen, the small town where I go each week, sold over $7000 worth of tickets last year. In addition, 117 kilometers or unsurfaced roads have been constructed by the required labor service. Other roads are projected and old roads will be repaired. Irrigation has been improved, first by the building of 27 pumping stations along the Chin Huai River, operated by electric power from Nanking, and benefiting 350,000 *mow* of rice land. In the second place, dykes have been repaired and waterways deepened, and hundreds of ponds have been deepened under direction of the hsien government or by local organization and effort. Improved wheat and rice seeds are being introduced in certain experimental areas. It is estimated that one-fourth of the area of the county is bare hill land which could be placed under cultivation. In certain sections large cotton farms have been started and all farmers are being urged to plant some cotton. A relentless campaign is being waged against the injurious rice borer. The bare mountains stand in need of forestation. On some slopes the forestry department of the national government started work years ago. Now the county government is actively promoting forestation and 11 million trees were set out in 1936. One area south of Nanking is being used for experiments in improvement of silk production. Recently a loan of $500,000 has been secured from the new Farm Credit Agency of the National Government, *Nung Pen Chu*, to start a large scale co-operative society for those engaged in the silk industry. The Construction Department also registers and supervises co-operative societies. 288 societies are now registered with a total membership of 9716. The deposits of these member-farmers in the banks indicate the beginning of rural savings and point the way to a better rural economy. In many parts of the county farmers deposit a part of their crops in granaries and secure loans upon these pending a rise in the price of the grains. There are now 88 such granaries and branch granaries under direction of the county government. At Hushu the government has established a most interesting farmers loan agency which is really an improved type of pawn-shop with low rates of interest.

The sixth department, the *Chien Yen Ko*, is responsible for opium suppression. Opium is sold only to registered addicts at appointed places. The number of addicts is steadily being reduced and unlicensed buying or selling is severely punished.

To Magistrate Mei, with his administrative skill and untiring energy, and to his able associates are due much credit for these splendid achievements in the short space of four years. A fine beginning has been made. The leaders themselves would be the last to claim that full success has been achieved. Unfinished tasks and unsolved problems, however, are only a spur to harder thinking and more earnest effort. One of the officials in the *hsien* government remarked not long ago that fifty years would be needed to realize their hopes and plans for village self-government and *hsien* democracy. It will take time and hard work to wipe out illiteracy. The goal must be free primary education for every child and farm boys and girls must be fitted for better life on the farm. The difficult question of land ownership—how to give every farmer his right to land of his own (one half in the county are how tenants or part-tenants), and how to bring together the scattered plots which each cultivator owns into a more efficient scheme of agricultural production, have hardly been touched. Much less is being done for women and girls in the homes than for men and boys. The bettering of economic conditions seems a baffling task. To all methods now being tried should be added some suitable forms of supplementary industry which will bring additional income to the farmer's family. Barriers of misunderstanding between the government and the people should be removed as far as possible and full mutual confidence be established. Then the *yamen* will be not merely a place to pay taxes but the farmer's own government in which he will take a deep and permanent pride.

The government must do all it can for the people and at the same time encourage all forms of local initiative and effort, and the work of all social agencies which seek to serve the people and supplement government enterprise. So far the county government has welcomed help and co-operation from many sources. The New Life Movement should be extended into the villages and should help to counteract evil influences today upon rural society. Village leaders must be inspired to work together with common purpose and devotion. There are still far too many *tu-hao lieh shen*, unscrupulous leaders, who scheme for their own interests, take advantage of less educated farmers, and selfishly oppose measures of reform. The community spirit needs to be cultivated. Business men in Nanking, Shanghai, Hankow and other cities, who were born in the villages of this county, should be urged to make contributions for the betterment of their home communities. The ten Christian churches in Kiang-ning hsien, the Rural Training Center of Nanking Seminary, the Y.W.C.A. service center for rural women in Sungshu, and all other private agencies for character-building and rural service should be expected to make an increasing contribution to moral welfare and the regeneration of rural life without which material reconstruction cannot bring lasting benefits to all the people. The task is so great and so challenging that all resources should be mobilized in order to make Kiang ning a truly model county. The intelligent and progressive leadership now at the head of this county government gives us great hope for the future. We trust that the experimental period may be further extended until other plans may be carried through and that Kiang ning will always be a pioneer in better government for the rural masses.

Already the Kiang-ning experiment has stimulated reforms in many other counties and leaders have been trained for other local governments. *Hsien* reform is frequently delayed or even checked by lack of understanding and support in the provincial governments. The next step urged by many national leaders is a province-wide experiment in progressive local government. The best graduates of the colleges and universities should be enlisted to serve in the county governments as a patriotic duty and privilege. All are asking how we may rehabilitate rural China and further national reconstruction. No one thing, I believe, will do more toward this end, than the extension throughout the nearly 2000 *hsien* in China of the best ideals and methods of local government, tested out in such progressive laboratories of county administration as that I have tried to describe—*Kiang Ning Tze-chih Shih-yen Hsien*, the New Deal County near the Capital.

Nanking, Feb. 25, 1937.

Dr. Daniels, Reporting on General Chu's Death, Deplores Prevalence of Injections

In connection with the recent illness and death of General Chu Pei-teh, Officer-in-Charge of Military Affairs, Dr. J. Horton Daniels, Acting Superintendent of the University Hospital, Nanking, where the deceased was sent for treatment, has issued a statement to the effect that examination of the bacteriological culture obtained at the time of operation had just been completed, showing the cause of his infection to have been streptococcus hemolyticus. It will probably be very difficult to prove how these bacteria gained entrance into the body in this particular instance, he said. It might have been from the medicine, from the needle, from germs indigenous on the skin, from the rubbing of the clothing or even from unintentional scratching of the puncture wound by the patient. Dr. Daniels said the prevailing tendency toward the injection-method of threatment, when perhaps the medicine might be taken just as well by mouth, was to be deplored.

Japan's "Friendship Drive" Policy vs. China's "Peace" Policy

BY C. Y. W. MENG* 孟長泳

THE manifesto on foreign and domestic affairs issued by the C.E.C. (Central Executive Committee) Session of the Kuomintang in Nanking, and the many speeches made by Japanese officials in the Tokyo Diet recently have indicated clearly the tendency of the respective policies of China and Japan toward each other. Hence it is not difficult for us to know the probable next development of the Sino-Japanese relations in the near future, and also the probable consequences.

China's Policy

The policy of China may be summed up as follows :—". . . . We must exercise great patience and determination to safeguard the nation's existence and its road to recovery. We shall not forsake peace until there is no hope for peace. If our country is driven to the last extremity, thus making sacrifice inevitable, shall be determined to make sacrifice." So China's policy is essentially a "peace" policy under the condition that "we shall not tolerate any aggression against our territorial sovereignty . . . . Nor shall we sign any agreement detrimental to China's territorial sovereignty . . . Should any act of aggression against Chinese territory arise, should all political means fail to frustrate such and should the fundamental existence of the nation be endangered, we shall be ready to make our last sacrifice without the least hesitation . . . ."

Japan's Policy

As to the Japanese new or "changed" policy towards China, we can do no better than to quote what was said by the Japanese Premier, General Hayashi, in a statement before the Budget Committee of the Lower House, when he declared that "a decision to make a remarkable change in Japan's China policy, namely, to concentrate on the promotion of Sino-Japanese cultural relations 'based on the fact that Japan in no circumstances seeks to acquire any portion of China's territory' and when harmony has been restored, important political issues, such as the tariff questions and major communication routes, will be taken up."

But the dispatch fro the Chinese *Central News Agency* in Tokyo gave a more detailed report of the Hayashi statement, which reads *inter alia* as follows :—

> "The Hayashi Cabinet, realizing that the deadlock of the negotiations in the past was due to the Japanese demands to settle the political problems as *sine quo non* to the settlement of other problems, has changed its policy . . . hereafter efforts will be made to promote the economic and cultural cooperation of the two people, so as to improve the feeling of the two nations . . . to be simple, the Hayashi policy embodies two important points :—
>
> (1) To promote mutual cooperation will be the principle of Japan's China policy; the economic and cultural problems will be first solved, and then the political problemms next.
>
> (2) To continue to discuss these points where China and Japan had reached the same conclusion during the negotiations of last year."

According to the same despatch, the *Tokyo Asahi*, in reporting the Premier's statement, further stated that the Hayashi Cabinet "had decided to discontinue completely the negotiations of last year." "As to the 'six demands,' including the creation of a special position in North China, conclusion of a joint anti-Red Pact, etc., they will be abandoned, but the discussion of the tariff problem will be continued." The present Japanese Premier was further reported to have considered the famous Hirota's "3-Point Program" policy as "incompatible with the present situation," and he is further of the opinion that the primary step to deal with China today is to "appease the feeling of two people—a step which will be more near to the reality of the situation," etc. (For details, see the *Central Daily News*, Nanking, Feb. 22).

Some of the Reasons for the Change of Policy

That is to say, there is a sudden and marked change of Japan's China policy, from positive territorial aggression to economic aggression; from Hirota's 3-Point Program to what we may call a "friendship drive." But the change takes place not without their own reasons and justifications, and comes as no surprise to us.

First :—Due to opposition against Japanese militarism by the Japanese at home.

Secondly :—Due to opposition against Japanese militarism by the Japanese in China.

Thirdly :—Due to Japan's "new concept" of modern China.

The Friendship Drive in Action

1.—*Japan's Economic Mission to China* :—Claiming to reciprocate a visit paid to Japan by a Chinese economic mission in 1935, a group of leading Japanese financiers and industrialists will leave Japan for China on March 12. The mission, whose task will be to seek a readjustment of Sino-Japanese economic relations, will be headed by Kanji Kodama, former President of the Yokohama Specie Bank and an authority on Chinese finances.

2.—*Japan's Cultural Mission to China* :—The Oriental Cultural League in Japan has decided to send a mission to China, Siam and India. This is the dispatch of a "good will" group to Oriental countries. The League has also invited prominent Chinese residents to a round-table conference to discuss ways to improve relations between Japan and China. The League expressed the opinion that by strengthening cultural and economic ties, the two countries would gradually gain in mutual confidence to their common benefit. The Japan Economic Federation and the Japan Chamber of Commerce and Industry are two other organizations now planning to send missions to China.

3.—*Japan's Christian Mission to China* :—Claiming that it is on the suggestion of a group of Chinese Protestants, the Japanese Federation of Christian Churches will soon send a "good will mission" to China.

4.—*Japan's "unprecedented" honor of the Chinese military attaches* : Setting a precedent in Sino-Japanese relations, a Tokyo society gave a farewell dinner in honor of Lieut.-General Hsiao Shu-shuan, military attache to the Chinese Embassy, who will leave on March 3 to assume his new post as a staff officer of the Military Affairs Commission. The banquet was sponsored by the residents of Sanchome Harajiku, Shibiya ward, in which the Chinese official has resided for the past three years. The dinner party, attendance at which cost each of the subscribers one yen, was presided over by Keisuke Mochizuki, former Home and Communications Minister and President of the Society. The "sake" drunk at the banquet was presented to the Society by General Hayashi, the Premier of Japan today.

The Reactions—Chinese Bankers' Response

The Japanese cry for "strengthening of cultural and economic ties between China and Japan" has apparently met some sympathetic response. In a statement issued to *Domei* on Feb. 5, Shou Ching-wei, a high official of the Central Bank of China, advocated Sino-Japanese economic co-operation, based on equality and reciprocity. The statement purported to be a response to the plea for Sino-Japanese cooperation made on Jan. 26 by T. Yuki, Minister of Finance and former President of the Tokyo Chamber of Commerce and Industry. Mr. Shou said that when he visited Japan to study the banking system, on instructions from Dr. H. H. Kung, Finance Minister, he discussed the questions of Sino-Japanese relations with many people. All these are sufficient to show the opinion of the Chinese officials as well as the Chinese bankers and industrialists towards the Japanese cry for economic co-operation.

Some of Outstanding Facts—Will History Repeat Itself?

The Japanese "friendship drive" in China is by no means a new one. The history of Sino-Japanese relations is full of instances when Japan, taking advantage of the chaotic conditions in China, first started her aggression to present China a series of "demands," or occupy the Chinese territories, and when this was accomplished, Japan then started a "friendship drive" to cause the Chinese masses to forget all about the bitter past, and to enable them to regain the friendliness with the Chinese. Our past experiences further show us that when a "friendship drive" is once started, Japan is most willing to spend money most lavishly for the Chinese, believing "money is very powerful in China." The leading of the infamous "Nishihara Loan" to China during the Anfu regime, with almost no interest, and without any specific conditions or security, as one of the means to gain the support of the then ruling party and to regain Chinese friendship, is too vivid in our mind to need any further explanation by us!

With the occupation of the whole of Manchuria and Jehol; with the establishment of Manchukuo; and lastly, with the control of large portions of Chahar and Hopei, Japan today apparently thinks that the Japanese aggression in China, started in 1931, is "accomplished," and what Japan should do now is to adopt the old tactics of "friendship drive" to cope with the growing Chinese opposition against the Japanese aggression—to cool down the Chinese mass opposition, on one hand; and to "please" the Chinese ruling party on the other. Such is our interpretation of the Hayashi changed policy in China. History repeats itself!

It is to be recalled that when Manchuria and Jehol were occupied by the invaders, the Japanese were quite divided among themselves as to "what to do next?" Some advocated that Japan should march forward as quickly as possible towards Lake Baikal to inflict another deadly blow on Soviet Russia before it became strong. Some agreed that Japan should march down to the Yellow River to "conquer" China right way. But none of them thought of "Be contented; and Let Us First Consolidate Our Position in the Newly Acquired Lands, Before Invading Another." The Hirota 3-Point Program is essentially a continuation of the military aggression in China in accordance with the wishes of the Japanese militarists who want to conquer China right away.

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*This is the first article of a series on Chinese political problems prepared by Mr. Meng.

But, today, Japan has apparently realized her short-sightedness. The Hayashi policy of "solving the economic and cultural problems first, and political problems next" is possibly the first cabinet in Japan since 1931 which realizes the importance of first "consolidating their gains" in Manchuria, Jehol and part of North China, instead of pressing China for further concessions. Possibly, General Hayashi is far more far-sighted than any of the other Japanese statesmen in realizing Nature's Law of Action and Reaction (see Dr. Lin Yutang's article on "As Philosophic China Faces Military Japan" in the *New York Times*).

From Military Aggression to Economic Aggression

So from now on, we will find the Japanese are very "active" in China "socially"; and we will hear very much about the Sino-Japanese economic co-operation, the formation of the many Sino-Japanese joint enterprises, the inauguration of many self-styled "reconstruction works," etc. The construction of Shikaichuan-Tsiangchow Railway "with Japanese technical assistance and materials"; and the re-opening of another iron mine in Lanyen in Chahar are probably the beginning of a series of Sino-Japanese joint enterprises, reconstruction works, but the ultimate aim of the Japanese is the "consolidation of their gain," "peaceful penetration" of China and to substitute their military aggression with an economic aggression.

Now let us turn to China's policy. As stated above, the Chinese policy is: "We shall not forsake peace until there is no hope for peace"; and General Chiang, in his speech, further defined the limits of the Chinese patience; and said that the Chinese would consider that there is no hope, should Japan press us for recognition of Manchukuo, etc.

Such Chinese policy is, of course, quite compatible with the situation when Japan goes on with the military aggression. But now the question is: The Japanese have changed their policy. Under the Hayashi cabinet when the program was "cultural and economic problems first, and political problems next," Japan, of course, would not demand China's recogniation of Manchukuo; nor, possibly, would indulge in further military aggression in China. So the questions which occur in our mind are: Due to change of Japanese policy, will the Chinese policy which was decided upon almost a year ago, be still "compatible" with the situation? Does not such Chinese policy offer a chance for the Japanese policy of "abandoning the military aggression" and instead embarking on an "economic aggression," "peaceful penetration," and "friendly drive" on China? What are the "limits" of our patience in face of the Japanese economic aggression? All these should give a great deal of food for thoughts to the Nanking leaders and the 450,000,000 Chinese.

To us, to lose one principal industry today, and another tomorrow (Chinese cotton industry in Tientsin is now almost completely in Japanese hands) is tantamount to lose one territory today and another tomorrow. To us, the economic aggression is just as destructive as the military aggression, and the "friendship drive" is just as "poisonous" as the air bombardments and gun-fires, the only difference being that while the former is more or less visible, the latter is invisible. In our opinion, to allow the invaders to consolidate their gains and to settle down in the newly "conquered" land is most dangerous to China. After ten years of intensive development and exploitation of natural resources, when the invaders have so firmly settled down in the newly acquired land, who could drive them out? So the Chinese should not be satisfied when they see there is no Japanese bombardment of Chinese territories, and Nanking should not keep on talking of economic or cultural cooperations, and should not be easily induced by the high-sounding doctrines and assurances that "Japan has no political or territorial designs in China," "based on equality and reciprocity," etc. Tokyo has changed its policy, so Nanking must also change its policy.

Nanking, Feb. 27, 1937.

Once a Marxist Disciple, Former Japanese Count, Passes Through Shanghai

Having abandoned his advocacy of Marxist theories for the less "dangerous" study of anthropology, Eiichiro Ishida, 35, a former Japanese count, passed through Shanghai on his way to Vienna last week, accompanied by his 27-year-old bride, Fusako. Mr. Ishida was convicted under the Peace Preservation Law on charges of having plotted against the safety of the State and was arrested in the first large-scale Communist round-up in Japan staged on March 15, 1928. As a result he was forced to relinquish his title.

Black Jacket and Blue Gown Remain Chinese Semi-Formal Dress

Black jacket and blue gown will still be the semi-formal wear in China, Chen Nieh-chung, Director of the Department of Rites and Customs of the Ministry of Interior, assured the delegation of the Shanghai Silk Guild in Nanking Feb. 27. Native material, however, must be used for the Chinese "dress suit," he added.

Tan Kah-kee, Chinese Rubber King in Singapore, had previously petitioned that black jacket and blue gown be abolished.

Divorce Case Raises Racial Issue in California

In defending a suit for divorce at Los Angeles, Rafael Lopez de Onate Feb. 26 declared that his father-in-law, Senator William Gibbs McAdoo, forced him and his bride to go to New Mexico to be married, because the McAdoos invoked against them the California law which prohibits marriages between whites and Filipinos although, according to Sr. de Onate, the Senator knew that he was of Caucasian extraction.

San Francisco Chinese Tong War Feared

Hostilities among Chinese tongs in the San Francisco area were feared by authorities Feb. 24 as a result of a ruling by a court at Sacreamento that a 15-year-old daughter of the Fong family had failed to tell a coherent story in her charge of abduction against Chan Bong-Yuen, 34-year-old teacher in a Chinese language school.

Ex.-Lieut.-Com. Farnsworth Sentenced for Espionage

John S. Farnsworth, one time a lieutenant-commander in the U.S. Navy, who was arrested on July 14 last year, was sentenced Feb. 26 to imprisonment from four to twelve years on a charge of conspiring to communicate naval secrets to Japan. The court declined to allow him to change his first plea of nole contendere to not guilty. The indictment identified two Japanese naval officers, Commander Itimiya and Lieutenant-Commander Yamaki, as conspirators, but neither was indicted, on account of diplomatic immunity. The officers were formerly stationed in the Japanese Embassy in Washington, D.C., but are now believed to be in Japan.

Senator Hamilton Lewis Urges Boycott for All Debt Defaulters

Senator J. Hamiltion Lewis from Illinois announced in Washington, Feb. 19, that he would introduce a resolution providing that the United States should not enter a reciprocal trade pact with any nation repudiating its debts to the U.S.

France and U.S. to Collaborate on European Stabilization

The N. Y. *Herald Tribune's* Washington correspondent Feb. 27 indicated that the Administration is about to begin a series of informal discussions for cooperation in promoting economic and financial stabilization in Europe. When M. Georges Bonnet presented his credentials to President Roosevelt, the French Ambassador assured him of France's desire to collaborate.

U.S. Senate Committee Pushes Plan to Expand Cotton Exports

A U. S. Senate Advisory Committee of spinners and cotton shippers, under the aegis of the Cotton Textile Institute, Feb. 19 approved of a plan to promote a large-scale campaign designed to expand existing markets and develop an outlet for cotton. The necessity of a program against dwindling export markets, increasing foreign competition and declining per capita domestic consumption was strongly emphasized by C. T. Murchison, chairman of the committee which recently visited Japan, at the meeting.

According to statistics compiled by the New York Cotton Exchange for the week ended February 19, supplies of cotton brought into sight for the present season totalled 10,920,000 bales, showing an increase of 138,000 bales over the previous week and 302,000 bales over the corresponding week of last year.

Tariff Reduction Urged as Aid to U.S. Cotton

John C. White, of the American Cotton Shippers Association, told the Senate Finance Committee Feb. 12 that he believed that reduced tariffs would return cotton exports to normal levels.

Cotton Production in Hopei to Be Increased

To increase the cotton production in Hopei 180,000 mow of alkaline land in the Changlu salt district will be utilized this year for cotton planting. A total of 10,000 piculs of cotton seeds will be distributed to farmers in the district on a credit loan basis.

Major General Kita Calls on Gen. Ho Ying-chen at Nanking

Major-Gen. Seiichi Kita, military attache to the Japanese Embassy in China, Feb. 27 called on Gen. Ho Ying-chin, War Minister. He was accompanied by Major Naokata Utsunomiya, assistant military attache. At noon, Major-Gen. Kita attended a luncheon given by Gen. Cheng Chien, Chief of the General Staff, to military attaches in the Capital.

Akiyoshi Tajiri, first secretary of the Japanese Embassy, proceeded to Tokyo this week to report to the Foreign Office authorities on recent political developments in China. The official, who recently visited Ambassador Shigeru Kawagoe in Nanking, will stay in Tokyo about one week.

The *Lih Pao* of Mar. 2 in reporting that Mr. Kawagoe, Japanese Ambassador to China, was proceeding to Nanking, commented that resumption of Sino-Japanese negotiations is unlikely in the near future.

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Joint Investigation Party to Study Hainan Development Plans

A joint investigation party, organized by leading financiers and industrialists in Shanghai, Hongkong and Canton, will leave Hongkong sometime around April 15 for Hainan Island which will mark the beginning of a large-scale development program for that area.

The group will have 30 members, each city to be represented by 10 bankers and manufacturers, and will spend two weeks on the island studying agriculture, forestry, animal raising, fishery, mining, communications and economic and trade conditions.

It is reported that the Hainan Island plans were discussed during the past few days in Shanghai between T. V. Soong, Chairman of the Board of Directors of the Bank of China, T. L. Soong, finance commissioner for Kwangtung province, Tseng Yang-fu, Mayor of Canton, and Dr. H. H. Kung, Minister of Finance.

W. M. Kirkpatrick Proceeds South

W. M. Kirkpatrick, Special Representative of the Exports Credits Guarantee Department of the British Government proceeded to Canton this week. Mr. Kirkpatrick will spend about a week to 10 days in South China studying economic conditions there.

Mr. Kirkpatrick is expected to return to Shanghai after the trip and will be here for another several months.

The report that Mr. Kirkpatrick's trip is connected with the loan sought by the Kwangtung Provincial Government to finance a $20,000,000 rehabilitation program is entirely unfounded, it was stressed by Mr. Kirkpatrick's office in Shanghai Mar. 2. In a previous interview Mr. Kirkpatrick had also stated he had no plans to visit Hainan Island, which is now the subject of plans for a large development scheme.

The Kwangtung office of the Overseas Affairs Commission has completed plans to draft returned Overseas Chinese to do reclamation work on Hainan Island. The office is also planning to request the provincial government to establish a colony on the island for 300 unemployed Overseas Chinese who have returned from abroad.

Japanese See Great Significance in British Financial Aid for Hainan Development

The *Shanghai Nippo* declared that the project of financial aid to China for the development of Hainan Island is of such a nature as to disturb the peace of the Far East. The *Shanghai Mainichi* saw in the project a military objective of the greatest importance.

Chao Lun-tien, Japanese Espionage Tool, Executed at Chengchow

Chao Lung-tien, Chinese underling of the espionage organ operated by three Japanese "ronins" in Chengchow, who was arrested by local police early in January, was executed in Chengchow Feb. 28 by order of the Special Administrative Commissioner's Office, after being court martialled.

The man had been in the pay of the Japanese and was utilized by them for subversive activities in Honan. At the time of his capture, he was sneaking out of the secret organ with one of the Japanese at night with the object of recruiting bandits for the staging of disturbances.

Admiral Yonai Says Japan's Armaments Are to Repel Foreign Aggression in Western Pacific

Japan's naval armaments are being replenished "to render foreign aggression in the Western Pacific impossible and also to make their silent influence felt in peace time, so as to facilitate the execution of national policies," Vice-Admiral Mitsumasa Yonai, Japanese Navy Minister, stated in the Japanese Lower Chamber Feb. 27 in reply to a query as to whether the new building was directed against a hypothetical foe. The Navy Minister added that there appeared to be no necessity of building exempt from restrictions such as torpedo-boats. Japan's present naval construction plans, he further said, are "unlikely" to precipitate an international ship-building race. He also asserted that the present international situation and the state of affairs at home did not warrant the use of the term "time of crisis."

Army Attacked for "Slighting" People's Welfare

A charge that the rapid growth of military expenditures was made at the expense of people's welfare was laid at the Army's doors by a proletarian member of the Diet Feb. 23. Questioning the War Minister, Mr. Taman, of the Social Masses Party, demanded to know why the Government permitted "the swelling of military appropriations, when the budgetary allotments for the stabilization of the nation's economic life were slashed."

A bitter debate developed at the meeting of the budgetary committee over Premier Gen. Senjuro Hayashi's demand that party politicians joining his Cabinet relinquish their membership in the parties. Mr. Kanai, of the bureaucratic Showa Club, declared that this attitude formed a contradiction to Gen. Hayashi's advocacy of constitutional government peculiar to Japan.

Overt Army interference with the efforts of Gen. Kazushige Ugaki to form a Cabinet a month ago was admitted in the Diet Feb. 24 by Gen. Gen Sugiyama, Minister of War. Replying to a stinging attack by Mr. Kita, an independent, Gen. Sugiyama acknowledged that Lieut.-Gen. Kesago Nakamura, commander of the gendarmerie corps, had halted and boarded the Premier-designate's automobile on Jan. 25 to dissuade Gen. Ugaki from attempting to organize a Government. This admission squarely contradicted the Army's previous contention that Gen. Ugaki had failed in his attempt to form a Cabinet because none of the qualified officers would accept the proffered War portfolio.

Japanese Proletarian Rally Demands Social Laws

Enactment of legislation relieving the lot of tenant-farmers and creating a "people's" bank was demanded of the Government in a resolution adopted at a mass rally staged by the proletarian Social Masses Party in Tokyo Mar. 1. Also demanded was the repudiation of the Treasury's plans for increased taxation.

Radicals and Reactionaries Join Hands to Demand Aid for Farmers and Fishermen

Radicals and reactionaries in the Lower Chamber joined hands Feb. 25 in demanding Government aid for the nation's impoverished agricultural and fishing areas. The demand was voiced in a statement issued jointly by the proletarian Social Masses Party, the rightist Kokumin Domei, the semi-Fascist Toho Kai, and the independents of the Second Lobby.

Cabinet Drops Two Army-Supported Bills as M.P.'s Attack Farm Law

Succumbing to a bitter two-day verbal attack in the Lower House, the Cabinet Mar. 2 decided to appropriate additional Yen 20,000,000 to relieve rural distress. Short of funds, the Government made this concession by dropping the two most important bills in its legislative program. The first of these was the Army-supported plan to control and regulate the electric power industry; the other, a measure to extend the compulsory education term to eight years. The Cabinet's decision came as a sequel to vigorous interpellations by parliamentarians dissatisfied with the Government's agricultural policy.

Minseito Member Advocates Japanese Co-operation with Soviets

Co-operation with the Soviets and the adoption of a firmer policy towards nations "attemping to interfere too much in Far Eastern Affairs" was advocated before the budgetary committee of the Lower House by Toyokichi Toyoda, Minseito, who questioned the Government regarding its policy in relation to fishing in northern waters bordering on Soviet territory.

N.Y.K. Officers Strike for Unique Reason—Are Discharged—Ships Sail

Seven vessels of the Nippon Yusen Kaisha Feb. 28 lay idle in Yokohama, Kobe and Osaka, as their officers charged the management of Japan's largest shipping concern with "lese majeste." The unique strike was called by the Meirokai, a patriotic organization of officers serving aboard the 85 vessels of the concern. No ordinary seamen were involved in the "walk-out".

The Meirokai charged the company with committing "lese majeste" by failing to dress its ships in Kobe and Osaka on Oct. 29 last, when the Emperor reviewed the Grand Fleet in the Osaka Bay.

Boldly retaliating for the lightning strike declared by an association of officers, engineers and radio operators, the Nippon Yusen Kaisha the same day dismissed all employees disobeying company orders. The chief engineer of the s.s. *Lisbon Maru* and three others were discharged and replaced by other officers. Smilar action was taken against other officers. In taking this action, the company invoked Art. 581 of the Maritime Trade Law and Art. 26 of the Seamen's Law.

Seventeen striking officers from six ships, anchored in Kobe and Yokohama, were dismissed by the Nippon Yusen Kaisha up to midnight for their failure to return to their respective stations. All vessels of the company sailed on schedule with the berths of the dismissed officers filled by substitutes.

Among the groups that had pledged their aid to the officers were the New Japanese Seamen's Union, consisting of right-wing secessionists from the older Seamen's Union; the Political Renovation Council and the Contemporary Affairs Council, all of pronounced Fascist inclinations, but to no avail.

Admiral Okada Prays at Tombs of February Mutiny Victims

Briefly interrupting his life of self-imposed seclusion, Admiral Keisuke Okada, Prime Minister at the time of the Feb. 26 rebellion a year ago, Feb. 25 prayed at the tombs of the victims of the sanguinary uprising.

General Shake-Up Takes Place in Japanese Army

The promotion of 900 officers and the transfer of 1,800 others was formally announced in Tokyo by the War Ministry Mar. 1. Among the transferred officers were ten lieutenant-generals and 14 major-generals, who were placed on the waiting list, preliminary to their retirement from the service. These transfers were made as a part of the "purge," launched by the Army following the military mutiny of Feb. 26, 1936.

Nanyo Kaiun Kaisha Expands South Seas Service

The s.s. *Clyde Maru*, of the Government-controlled Nanyo Kaiun Kaisha, departed from Kobe Feb. 28 for the South, inaugurating a new monthly service to Jesselton, British North Borneo.

O.S.K. Becomes Japan's Largest Shipping Concern

By acquiring a controlling interest in the Kokusai Kisen Kaisha, the Osaka Shosen Kaisha Feb. 25 forged into the premier position in Japanese shipping. Under the terms of an agreement signed by the O.S.K. with the Industrial Bank of Japan and the First and Fifteenth Banks, the vast shipping firm will acquire 219,918 of the 400,000 shares of the K.K.K.

Finance Minister Yuki Says Japan Does Not Intend to Devaluate the Yen

Assurances that the Japanese Government did not intend to devaluate the yen were given in the Diet Feb. 28 by Finance Minister Toyotaro Yuki.

Japanese Publisher and News Agency President Charged with Espionage

Hirokichi Otake, president the Nauka publishing company, and Katsuhei Zama, president of the Foreign and Domestic News Agency, heretofore under examination by the Tokyo police on charges of espionage, were indicted and sent to Ichigaya prison Feb. 25.

Japan and Cuba to Sign Trade Agreement Drive to Oust U.S.

Recent advices from Tokyo stated that a new commercial *modus vivendi* will shortly be concluded between Japan and Cuba. The agreement will set Cuban purchases of Nippon-made goods at double of Japan's purchases of Cuban products. A half of Japanese exports to the Latin American country will consist of textiles, while a half of Cuba's sales to the U.S. will be tobacco. Telegrams from Havana state that Japanese interests have lately opened a strong campaign to wrest from the United States at least $1,000,000 worth of America's $8,000,000 yearly Cuban textile market.

Japan to Produce 1,000,000 Tons of Oil From Coal

Coal hydrogenation will provide Japan with a supply of 1,000,000 tons of oil a year in the next seven years, Dr. Takuo Godo, Minister of Commerce and Industry, told the Tariff Committee of the House of Representatives Feb. 24. This will require the consumption of 9,000,000 tons of coal a year, Dr. Godo said.

4,650 Trees Presented to Japan by Americans

Formal presentation of 4,650 young trees, presented to the Japanese nation by the Garden Clubs of America, took place in Tokyo Feb. 25.

Naotake Sato Returns to Tokyo—Appointed Foreign Minister

Naotake Sato, former Japanese Ambassador to Paris, returned to Tokyo Mar. 2 with his family and the following day was appointed Foreign Minister. The Foreign Affairs portfolio was previously being held concurrently with that of Education by Premier Senjuro Hayashi.

Japanese "Toughs" Attack British Rescue Mission in Kyoto—Four Arrested

Four Japanese "toughs," including the owner of a licensed house of prostitution in Kyoto, were arrested Feb. 25 following a brutal attack the previous day on six English women operating the Japan Rescue Mission and 13 Japanese inmates of the hostel. One of the Japanese women suffered concussion of the brain when hit with a baseball bat. The furniture and the windows of the mission were destroyed. The hostel, operated by Mrs. George Dempsie, shelters about 80 Japanese women, mostly former prostitutes and juvenile delinquents. The attack followed an abortive attempt of the brothel-owner and his three henchmen to obtain an interview with two girls who had sought asylum at the hostel after fleeing from the Kyoto red light district. Incensed at their failure, the men forced their way into the building and battered about the premises. Mrs. Dempsie and five other Englishwomen were injured in an attempt to stop the ruffians. Twelve of the Japanese inmates were also mercilessly beaten as they sought to aid the Englishwomen.

Japanese Detachment Wiped Out by Manchurian Bandits

A detachment of thirteen Japanese troops was wiped out in a two-hours' battle with 300 bandits near Holichen, Northeastern Manchuria on Feb. 24, according to a despatch to the Tokyo *Nichi Nichi* from Chiamussu. The Japanese soldiers were escorting a military survey party. A band of thirty bandits attacked another survey party near the same district, killing two Japanese surveyors and three Manchukuo soldiers.

Fuhsin, Chinchow, to Become Industrial Center

A recent message from Hsinking stated that Fuhsin, Chinchow Province, bid, fair to become one of Manchukuo's major industrial centers, with the Manchuria Electric Company's announcement of the proiected opening of a 50,000 kilowatt power plant. The cost of the new enterprise, estimated at Yen 5,000,000, will be borne by an increase in the capitalization of the concern.

The South Manchuria Railway Company has already decided to open a huge coal liquefaction plant in Fuhsin, in collaboration with the Manchukuo Government.

Entry of Chinese Into Manchuria Still More Restricted

Information received in Peiping is to the effect that regulations restricting the entry of Chinese into Manchuria have been further tightened lately. Only seventy Chinese are now permitted to pass through the Shanhaikwan to Manchuria everyday.

Japan Invests Yen 432,000,000 in Manchukuo Bonds

Japanese investors last year purchased Yen 432,000,000 worth of Manchurian securities, the Central Bank of Manchu revealed in Hsinking Feb. 24. Out of this amount, about Yen 125,225,000 has already returned to Japan, while the remainder of Yen 306,775,-000 represents the net addition to Japan's investments in this country.

Manchukuo Celebrates Empire Founding Day

With each house decorated with the flags of Japan and Manchukuo, Hsinking March 1 celebrated the fifth anniversary of the establishment of the Empire.

About 15,000 students, school pupils and members of the Kyowakai, Manchukuo's sole political party, gathered at the Tatung Park in the morning to hear addresses by civic leaders.

In Tokyo the main function of the day was a reception at the Manchukuo Embassy, where Ambassador Hsieh Chieh-shih, greeted more than 450 guests, including Premier Hayashi, the members of his Cabinet, Dr. Herbert von Dirksen, German Ambassador, and Auriti, Italian Ambassador.

Kwantung Army Has New Chief

Lt.-Gen. Itagaki, Chief of Staff of the Kwantung Army, has been recalled home to become commander of the Hiroshima Fifth Division Corps. Gen. Itagaki will be succeeded by Lt.-Gen. Torio, the present Gendarmerie Commander of the Kwantung Army.

Rich Iron Deposits Found in Jehol

Discovery of rich deposits of iron and gold in Jehol was announced in Chinchow Mar. 2 by the geologists of the South Manchuria Railway Company who have been surveying the resources of the province for the past ten months. The iron veins, estimated at 150,000,000 tons, were found in the vicinity of Kiangtsao, Luanpinghsien. The iron contents of the ore were placed by the geologists at 80 per cent. The S.M.R. has already filed an application for a permission to exploit the resources.

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Soviet's Siberian Field Marshal Vasilii Bluecher Had Extensive China Experience

This article dealing with the life and activities of Field Marshal Bluecher, Soviet Commander-in-Chief in the Far East, appeared in connection with a longer article in the North-China Daily News on Feb. 21 which was written by Mark J. Ginsbourg.

Vasilii Bluecher is Red Russia's Marshal on the all-important Far-Eastern front, where frontiers bristle with Japanese, Manchukuoan and Russian bayonets. He is also the Soviet mystery man, whose ante-revolutionary biography is shrouded in a cloak of official mis-statements.

Soviet sources assert that he was born in a peasant family 48 years ago, but fail to give his exact birthplace. The Whites allege that he is a German criminal, whom the froth of revolution brought up into the pages of history. Enthusiastic, albeit inaccurate, journalists in Europe declare that he is a direct descendant of Marshal Bluecher of Waterloo fame.

The Soviet biographers place his first revolutionary act in 1910, in a strike no trace of which, according to emigre critics, can now be found. He was mobilized in 1914, fought bravely, was seriously wounded in 1915 and demobilized as unfit for service. He immediately became a Russian prototype of the American walking delegate.

The first revolution of February, 1917, found him in Samara, where he was appointed political commissar to the garrison commander. The fairly short, powerfully built man with the arms of a boxer and cold, steely eyes became prominent in the preparations for the Bolshevist October revolution, disarming unfriendly units and fighting undercover organizations.

In 1918, when Ataman Dootov, an Orenburg Cossack, a reckless fighter, a fiery orator, an able leader and withal an unprincipled bandit, attempted to cut Siberia off Russia, Bluecher assumed command of the defence. He organized a cosmopolitan band—well-armed and well-disciplined—and crushed Dootov, burning out Cossack settlements. But while Bluecher was chasing Dootov into the Siberian steppes, Col. Checkeh's Czechs, who were brought to aid Russia against the Germans, rose in arms against the Reds, occupied a number of towns, including Samara, and set up a provisional government under Admiral Kolchak, a mildmannered sailor, borrowed from the British navy to fight Lenin.

Order of the Red Star

Cut off from Russia, Bluecher decided to break through the enemy lines with his army of 12,000 men, their families and belongings. In twelve days of continuous fighting Bluecher advanced only 50 miles, and decided to change his plans. Dropping all impediments, including families, the Army turned in a new direction and succeeded in breaking through and rejoining the main body of the Red forces. The victory found Moscow unprepared. An emergency order was issued by Trotsky to draft a system of decorations, and Bluecher became the first possessor of the Order of the Red Star. He was also made a divisional commander.

In the next two years, Bluecher fought the Czechs on the Volga, Admiral Kolchak in Siberia and Baron Wrangel in Crimea. For six months the Baron's troops dug trenches in Perekop, a thin strip of land linking the peninsula with the mainland. Behind the trenches were the troops of Gen. Kootepov (who mysteriously disappeared in Paris several years ago), machine gun nests and heavy artillery. Bluecher's red-shirted soldiers had to fight for every inch of the ground. On a cold, wintry November night Bluecher began his attack on Perekop, crossing the Sivash before the tide covered it with water. Here, with the Whites pouring lead into his men and the Azov Sea gradually creeping from behind, Bluecher fought his greatest battle. The Reds won. Bluecher received his second Order of the Red Star.

Defeats Ataman Semenov

His next assignment was in the Far East, where Japan was aiding in the establishment of an autonomous Far Eastern Republic, forming a buffer between Russia and Manchuria. The Red general had to be not only a skilled fighter, but also a masterful diplomat—as patient and canny as the Japanese. In selecting the 32-year old Bluecher for this responsible post, Moscow made no mistake. In 1921 he defeated Ataman Semenov, a Cossack whom his enemies accused of inhuman cruelty and who now lives in a Dairen villa presented to him by a Japanese friend.

Later Bluecher grappled with Baron Ungern, descendant of an ancient Hungarian family, who became a Buddhist and dashed round Mongolia in an armored car, organizing a holy Buddhist crusade against the Reds and the Jews. Bluecher captured him—an emaciated figure in a bright yellow Mongolian robe with general's insignia—and put him against a wall.

Bluecher was also instrumental in the establishment of a Soviet Mongolian republic, with its capital in Ulan Bator Hata, the City of the Red Hero. To-day, the republic, whose uncertain borders almost daily witness sanguinary clashes between Japanese-Manchukuoan and Soviet-Mongolian forces, still remains within the field of Marshal Bluecher's activities.

Bluecher as Gen. Galen

In 1923 the curtain was temporarily drawn over Bluecher, Russia was cleared of armies of intervention and in Petrograd the Communist International was drafting ambitious plans for a world revolution. The blow to the world's imperialism was to be struck in China, flanked by Japan and India. The man entrusted by the Comintern with the task of making China Red was Michael Borodin-Berg-Grusenberg, who to-day peacefully edits the Moscow *Daily News*. Borodin started his career teaching, together with his wife Fanny Orliuk, English language and revolutionary methods to Chicago immigrants. Later he moved to Moscow, Scotland and Moscow, ending in Canton. There he won favor with Dr. Sun Yat-sen and shortly afterwards imported Soviet guns and 300 officers, headed by General Galen, Bluecher's pseudonym.

Galen's first act was to organize the Whampoa Military Academy, China's West Point, where the more intelligent students were taught rudiments of military science and conmmunism. In 1927, after training 6,000 officers, equipping an army of 70,000 and infesting China with thousands of skilled agitators, Galen, a modern Genghis Khan, began the Northern punitive expedition.

In a month his troops took Changsha, and a while later, in the stifling, misty heat of the Yangtze valley, Gen. Chang Fu-kwei's armies attacked the walls of Wuchang. Half of the attacking force were slaughtered, the tattered remainder winning the proud title of Ironsides.

Wuchang captured, the armies started their march on Shanghai, where workers and secret societies were ready to welcome them, But there Borodin and Galen made the fatal mistake for the Comintern—of underestimating Gen. Chiang Kai-shek's ambitions. The latter secretly secured the support of the Shanghai bankers and declared war on the Reds. Galen and his Soviet comrades had to flee China for their lives, crossing the treacherous Mongolian steppes in motor cars. Gen. Galen's place was taken by Col. Max Bauer, who later, so rumor says, was poisoned by Gen. Chiang's enemies.

Answers Young Marshal's Challenge

Once again, Gen. Bluecher found himself on the Far Eastern front. In 1929 Marshal Chang Hsueh-liang, officially dishonored to-day for his part in the Sian coup, relying upon poor advice and still poorer troops, challenged the Soviet claim on the Chinese Eastern Railway. Gen. Bluecher's juggernaut crushed the Chinese forces in several brief engagements and the "Young Marshal" capitulated.

Gen. Bluecher was given an unprecedently triumphal reception in Moscow. But only a year later, according to White newspapers, a plot was uncovered to unseat Stalin, and Bluecher's name was mentioned as that of a prospective Comissar of War. There was, the papers alleged, a stormy conference in the Kremlin at which much was said of Bluecher's immense popularity with the troops and the people. Bluecher was sent back to Siberia to command the Far Eastern forces.

There he has been ever since, all through the dangerous years of the Manchurian conflict. In this post he succeeded in strengthening Siberia's defences to an almost impregnable degree. Here also, once again, he has demonstrated his qualities of a talented diplomat, a brilliant strategist, a man with indomitable energy and great popularity. Him, alone of all Red Marshals, Soviet's foes see as Voroshiloff's rival.

Japanese Embassy Explains Functions of "Floating Post-Offices"

A detailed explanation of the functions of the post-offices opened early last month aboard the Shanghai-Nagasaki express liners, "to dispel any misunderstandings that might be entertained by the Chinese postal authorities," was made by a spokesman of the Japanese Embassy in Shanghai Feb. 23. The "floating post-offices" aboard the Japanese steamers, the official said, are similar to those operated aboard the Trans-Pacific liners and are designed solely to speed-up the delivery of mails between Japan and China. The post-offices, he pointed out, are closed when the ships reach Shanghai, and neither sell stamps nor accept parcels.

Japanese Celebrate Fifth Anniversary of Shanghai Hostilities

Shanghai's "Little Tokyo" March 3 celebrated the fifth anniversary of the cessation of Sino-Japanese hostilities of 1932.

The celebrations centered on the 'Shokon Sha," a small shrine within the compound of the Shanghai Shinto Shrine on Kiangwan Road, where those who fell in the sanguinary clashes of the Shanghai "war" are buried.

Soviets Said to Have 40 Submarines at Vladivostock

A *Reuter* message from Moscow Feb. 26 stated that Russia is intensively building submarines, and is actually adding one such vessel to her fleet every month. At present she is understood to have 40 submarines in Vladivostock, which number she hopes to raise to 50 at the end of the year, and 90 in the Baltic, as compared with 100 possessed by America, 92 by France and 87 by Italy. According to official returns Russia has only four submarines, which is notoriously absurd, but Moscow refuses to give any information to other powers concerning the actual strength of her navy, excepting pre-war ships, or her construction programme.

Replying to a question Feb. 27, Premier Hayashi declared that the Japanese Government would endeavor to ease the frontier situation between the Soviet Union and Manchukuo. The Prime Minister said he did not believe that the Soviet Union had "a provocative intent" towards Japan. Soviet troops in the Far East, Gen. Hayashi charged, are "obsessed with a superiority complex," which, he added, "tempted" them to cross the frontier. Under such conditions, it was necessaay for Japan to increase her strength in Manchuria.

Japanese Army Hopes to Cope with Soviet Forces in Six Years

With the fulfilment of the Army's six-year defense program in 1943, Japan will be able to cope with the Soviet forces in the Far East, Gen. Gen Sugiyama, War Minister, said in the House of Representatives Mar. 1. If Soviet Russia's present plans for strengthening her air force give her superiority over Japan, the Army might have to draft a second and a third defense programs, the War Minister added.

Asked in the House of Peers if the War and Navy offices intended to unify their air branches under an Air Ministery, Vice-Admiral Mitsumasa Yonai, Navy Minister, replied:

"Such a merger is regarded by us as desirable, but we could not reach an agreement of views on the subject. The project would be difficult to realize under the present circumstances."

Soviets Push Double-Tracking of Far Eastern Railway

A *Tass* message from Moscow Feb. 15 stated that 3,500 kilometres of main and station railway tracks have been laid on the construction site of the second line of the Far Eastern Railway. About 600 kilometres of tracks are yet to be laid on the section Khabarovsk-Voroshilov. The construction of the second tracks is being carried out for the purpose of developing Far Eastern national economy.

Mezhlauk Appointed Comissar of Heavy Industries

Moscow advices state that Vice-President of the Union Council and the president of the State Planning Comission, Mezhlauk has been appointed the successor to the People's Comissar for Heavy Industries, Ordjonikidse.

Huge Oil Bearing Layer Discovered in Yakutian Republic

An oil-bearing layer 3 metres thick has been recently discovered in the valley of the River Tolby (Yakutian Republic) at a depth of 370 metres. *Tass* says the oil-bearing area stretches for 200 kilometres.

Soviet to Reopen Consulate in Mukden

It is reported that the Soviet Government is contemplating the reopening of its consulate-general in Mukden. Japan, Great Britain, U.S.A., Italy, France and Germany have consular representatives in Mukden at the present time.

1,000 Idols "Arrested" as Drive Opened Against Susperstition in South China

More than 1,000 idols, faked gods and petty dieties were recently "arrested" and placed in a "concentration camp" by the military authorities of Chao An district, in southern Kwangtung, in an attempt to discourage idol-worship and to suppress the further spreading of susperstition. Once the "susperstition belt" in the province, Chao An eight years ago enjoyed a house-cleaning following the arrival of an enlightened administration. The "new deal" administrators of the reorganized Kwangtung provincial government last summer decided to put a stop to such worship but were afraid that too drastic action might spell their failure. Instead of destroying the idols the officials sent armed troops and piled these gods into seven trucks and sent them off to the Temple of the City God, which has become the one and official place for idol-worship in Chao An. All the minor temples in the district have been closed but people are still permitted to go to this special temple to pray and burn incense.

Travel Safeguards on Highways Studied at Communications Conference

The second conference of the National Highways Communications Commission was held in Nanking last week at the Chungshan Hall of the Hunan Provincial Educational Society. The principal object of the conference is to devise measures for safeguarding travel on the nation's highways.

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Southwest Aviation Corporation to Suspend Service Temporarily

The Southwest Aviation Corporation announces that owing to the lack of planes the regular passenger and airmail services will be suspended for the time being. The suspension is believed to have been prompted by the damage of the *Changkang* plane which crashed into the river near Samshui early last week. The company now possesses only one machine suitable for long-distance flying which is not sufficient in maintain the regular services.

The bodies of Wu Po-fan, adviser to the Shensi provincial government, and Chan Tao-yu, the pilot, who were killed in the ill-fated *Changkang* plane, were brought back to Canton Feb. 27. Mr. Wu had been invited to open a factory for the manufacture of motor fuel from cotton seed in Kwangsi and was en route to Kweilin to confer with the authorities when he met his death. Gen. Li sung-jen, newly appointed Commander-in-Chief of the Fifth Route Army, has allotted $3,000 as funeral expenses for the late Mr. Wu.

Southwest Aviation Corporation Plans Four New Lines

With the cooperation of the Central Government the Southwestern Aviation Corporation is planning a program of expansion, open four new air lines and to purchase several new Stinson airplanes—despite the present suspension.

The four projected lines are the Kunming-Chungking line, passing through Chingyuan, Nantan in north Kwangsi, Fuchow, Wenshan and Montze in Yunnan and Chaiting in Szechwan; the Canton-Changsha line, passing through Shiukwan, in Kwangtung; the Canton-Foochow line, passing through Weichow, Meihsien in Kwangtung and Changchow in Kwangsi; and the Canton-Nanchang line, passing through Nanhsiung, Tayi in Kwangtung and Kanchow, and Chian in Kiangsi.

Eurasia Resumes Peiping-Canton Air Service

Beginning Feb. 23, the Peiping-Hankow section of the Peiping-Canton air service of the Eurasia Aviation Corporation resumed operation. The service on the Hankow-Canton section of the line will also be resumed in the not distant future.

Night Flying Prohibited in Hopei and Chahar

Night-flying is prohibited by the Pacification Headquarters for Hopei and Charhar, according to identic orders issued Feb. 21 to the China National Aviation Corporation, the Eurasia Aviation Corporation and the Huitung (Sino-Japanese) Aviation Corporation.

Fukien Students Purchase $60,000 Plane in Honor of Generalissimo

Air-minded students in Fukien have purchased a $60,000 airplane from Italy, which will be presented to the National Government in honor of Gen. Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission. The machine will be christened "The Fukien Student."

Eighteen Birthday Planes Christened at Nanking

Eighteen airplanes purchased by funds donated by overseas Chinese on the occasion of Generalissimo Chiang Kai-shek's fiftieth birthday anniversary last year were christened at the Ming Palace Airdrome in Nanking, Feb. 18.

Airplane purchase funds continue to pour into the capital, the latest being a donation of $60,000 contributed by overseas Chinese in the United States.

Germany Plans to Open Airship Service to Far East

Germany will have a fleet of four big passenger Zeppelins by the year 1940 and will be able to extend her regular service to other oversea countries, (including India and the Far East) Captain Ernst Lehmann, the commander of the *Hindenburg*, predicted in Friedrichshafen, Feb. 27.

15-Passenger Sikorsky Arrives for C.N.A.C.

A 15-passenger Sikorsky plane of the China National Aviation Corporation arrived in Shanghai from the U.S. last week. The plane is being assembled at the Lunghua Airdrome and will probably be ready for flight in a few weeks.

Eurasia Plane Making Flight from Berlin, Due Here March 9

A new Junkers-52 passenger plane for the Eurasia Aviation Corporation is making a flight from Berlin to Shanghai. The plane is being piloted by Johannes Rathje, veteran Eurasia pilot. It is coming by the southern route, going by way of Athens, Bagdad, Burma, and Hongkong. R. Walter, technical manager of the aviation corporation, states that the schedule calls for the plane to arrive here March 9.

Shanghai-U.S. Airmail Letter Postage Rate Fixed at $1.45 per Five Grams

According to information from the Shanghai Head Post Office, the utilization of the new Hongkong-San Francisco air mail line for the conveyance of Chinese air mails to the Philippines, Guam, Hawaii, and the United States has been duly approved by the Ministry of Communications.

The Post Office announced in this connection that in order to enable air correspondence to reach Hongkong before the flight of the American plane, the mail matter must be posted by the sender in ample time.

When the Pan-American Airways link is inaugurated between Manila and Hongkong, Shanghai residents will be able to send air mail letters from Shanghai to any city in continental United States for $1.45 for each five grams.

Itinerant Air Defense Exhibition to Open in Swatow March 11

The itinerant air defense exhibition, arranged by the Central Government, will open in Swatow on March 11 for one week's display.

Tientsin-Tokyo Airline Starts Operation

The new Tientsin-Tokyo and Tientsin-Dairen air-lines were scheduled to be inaugurated on March 5 by the Sino-Japanese Hui Tung Aviation Company. The trip to Tokyo from Tientsin is made in 10 hours, to Dairen in one and-a-half hours.

British and Japanese Airlines Make Proposals to Manila

Recent dispatches from Manila indicated that the British Imperial Airways has approached the Philippine Government with a view to extending the air services from Singapore and Hongkong to Manila. It is also understood that a Japanese company has submitted proposals for the operation of a service between Manila and Formosa to link up with the network embracing Japan, Manchukuo and Korea.

U.S. Congress Passes $900,000 Appropriation for Trans-Atlantic Air Line

An appropriation bill, providing for $1,500,000,000 to meet the expenses of the Post Office and the Treasury Department during the next fiscal year was passed by the U.S. House of Representatives Feb. 19. The measure carries an appropriation of $900,000 to subsidize the proposed trans-Atlantic air mail service between New York and Southampton.

Aviation Lottery Bill to Be Introduced in Japanese Diet

Drafting of a legislative bill providing for the creation of an enfranchised body for the administration of an aviation lottery was begun in Tokyo March 1. The proceeds of the scheme, the bill will set forth, will be utilized to promote the progress of aviation by supplementing Government funds assigned for the purpose.

International Air Rally Ends in German Triumph

The five-day international oases air rally, which drew 41 entries from 11 nations, ended in Cairo, March 1 in a triumph for Germany, whose aviators took first, second and fourth places.

Permanent Concession of New Guinea to Japan Suggested

At a meeting of the First Sub-Committee of the Lower House Budgetary Committee in Tokyo Feb. 28, Mr. Sakurai, Minseito representative, suggested that Japan should be "bold and frank enough to approach the Dutch authorities for the permanent concession of Dutch New Guinea and its adjoining isles to solve Japan's population problem." Japan, Mr. Sakurai said, should have no other designs on the South Seas beyond Dutch New Guinea, and if Holland would concede her possession to Japan, a non-aggression pact might be concluded with the Dutch East Indies to ensure permanent peace in the South Seas.

Replying, Gen. Hayashi, the Premier, declared that he roughly shared the same views with Mr. Sakurai, but that the Government has not yet had time to make a pointed study of the question.

The Hague Studies Applications for Concession in New Guinea by Japanese

An authoritative quarter at the Hague March 1 declared that while applications by Japanese for concessions in New Guinea would be considered by the Netherlands East Indies Government on their merits, it was pointed out that several concessions had already been granted to Japan in New Guinea and Borneo for cotton and timber. It was emphasized that Holland was pursuing an open-door policy in the Netherlands Indies.

Setting a precedent, Kazue Kuwajima, the newly appointed Minister to the Hague, left Tokyo Feb. 28 for a two-weeks tour of inspection of the Netherlands East Indies, before proceeding to his post. One of the objectives of Mr. Kuwajima's trip to the N.E.I., a Gaimusho official revealed, is to dispel the colony's misapprehension of Japan's alleged territorial ambitions in the South Seas.

Charges of "maltreating and oppressing" Japanese fishermen and traders were brought against the Government of the Netherlands' East Indies in the House of Representatives in Tokyo March 1 by Hyogoro Sakurai, Minseitio. During his trip to the N.E.I., Mr. Sakurai declared, numerous complaints were made to him by Japanese residents in the colony.

He urged Premier Gen. Senjuro Hayashi, who is concurrently Foreign Minister, to assure the people and the Government of the N.E.I. that Japan has no territorial or political designs upon the former.

Soviets Will Not Participate in Naval Patrol of Spain

A decision was reached at a meeting in London Feb. 26 of the Non-Intervention sub-committee that the Soviet fleet will not participate in the scheme for the naval patrol of the Spanish coast, which comes into force on March 6. The Russian fleet was to have patrolled the north-west coast of Spain, including the Bay of Biscay, with the French navy.

Russia objected to the zone allotted her in the Bay of Biscay, especially as it is apt to be boisterous at this time of the year. Herr Joachim von Ribbentrop, the German Ambassador in London, said at a previous meeting that Germany was only agreeable to the participation of Russia provided the experts' recommendation concerning the division of zones was adopted.

German Government Puts New Restraint on Pastors and Bible Teaching

The practice adopted in some parts of Germany where ministers read out from the pulpit the names of those who had given up their church membership, is now forbidden by a decree enacted by the Ministry of the Interior in agreement with Dr. Hans Kerrl, Minister of Church Affairs, under the law for the protection of the people and the state of February 28, 1933.

Teachers of religion in the schools of Anhalt, German State, were warned by the State Minister, Herr Alfred Freyberg, last month to omit the Old Testament from their teaching, "to show that Christ was not a Jew and generally to bring Christianity in line with Nazi doctrines."

Changed Conditions in Netherlands Indies

The Netherlands Second Chamber Feb. 27 passed the defence budget with the Socialists voting against it.

In a speech preceding the vote Premier, Colijn referred to the present situation in the Netherlands East Indies, which he said could not be compared with former conditions. The nation, therefore, had to assume the burden of higher armament expenditures.

Polish General Says Germany's Anti-Moscow Crusade Is Screen for Imperialist Designs

General Sikorski, former Premier of Poland, in an article in the *Kitrjer Warsawski* Feb. 28 expressed the conviction that Germany's anti-Moscow crusade is but a screen to Germany's imperialist designs directed toward territories situated south and east of the Reich.

Section of British Opinion Still Hankers After Alliance with Japan

Far Eastern circles in London (according to *Reuter*) are much interested in a speech made by the Japanese Premier and Foreign Minister, General Senjuro Hayashi, in the Lower House Feb. 28 concerning Japan's desire to promote friendly relations with Great Britain and to settle the immigration question with Australia.

It is assumed in London that the General, the sincerity of whose character is generally recognized, was voicing the Army's opinion, which would place the speech in a different category from the utterances of civilian speakers. "I have always regretted the dissolution of the Anglo-Japanese alliance," declared Lord Newton, formerly Assistant Under-Secretary for Foreign Affairs, in an interview with *Reuter*. "I am convinced that the re-establishment of intimate relations with Japan must conduce to peace and stability in the Far East and directly benefit China."

Sir Frederick Whyte, Political Adviser to the Chinese Government from 1929 to 1932, considers that Japan realises the necessity of mitigating the effect abroad of the Japan-German pact against Communism, while a Far Eastern banker voices the opinion that Japan seeks to counteract the American tendency to be attracted towards the Franco-Russian pact of mutual assistance.

Tokyo Paper Says British Opinion Toward Japan Is Divided

The *Tokyo Asahi* writes that feeling in Britian toward Japan is divided into two camps. Part of the Conservative Party recalls the Anglo-Japanese Alliance and advocates strengthening of friendly relations, while the Liberal and Labor Parties are inclined toward pro-American and anti-Japanese sentiment. The members of the Cabinet other than Secretary Eden are amicably disposed toward Japan, the *Asahi* said, and thus the Foreign Office lacks a proper conception of Japanese affairs. However, in the face of a huge national defense budget and the emergency existing in Europe, Britain from the standpoint of self-interest must rectify the Eden diplomacy. Britain cannot allow Japan to be driven completely into the arms of Germany, and already there are indications that Britain has come to adopt a more conciliatory attitude toward Japan in regard to China policy.

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Kwangtung to Spend $200,000,000 on Rehabilitation Program

The *China Press* Feb. 28 stated that negotiations in Shanghai for funds to finance an initial five-year rehabilitation program in Kwangtung Province involving the expenditure of $200,000,000 have now reached a final stage. Aysey Chen, who is closely connected with Government activities in the South and is the adviser and representative of an important group of international bankers and industrialists, is now in Shanghai in connection with these and other matters.

The Kwangtung government's program of development covers a vast number of enterprises and the establishment of various enterprises in addition to the industries now established. Industries already in existence in Kwangtung are estimated to be valued at $45,000,000 and include sugar factories, fertilizer plants, cement works, caustic soda and sulphuric acid works, cotton, woollen, silk and jute mills, beer brewery, paper mill and alcohol plants. To further develop this progressive province, plans for a five-year program involving the expenditure of $200,000,000 have been drawn up. The Reconstruction Bureau of Kwangtung will assume the responsibility for carrying out the greater part of the proposed schemes.

Negotiations have been under way for some time with financial interests and several important financial organizations have already indicated their willingness to finance the program of industrialization.

Income Tax Administration Notice Says All, Regardless of Nationality, Must Pay

A notice issued by C. T. Liang, director of the Shanghai office of the Income Tax Administration states that income tax shall be levied from Jan. 1, 1937 on three classes of income, derived within the territory of the Republic of China, of all companies, firms and individuals, regardless of nationality.

Those tax-payers and persons liable to withhold the tax at source in the District of Shanghai who have so far not yet reported income or paid tax thereon are advised to avoid further delay in effecting the same.

Dr. H. H. Kung Says Central Bank Will Be Organized in Shortest Period

Dr. H. H. Kung, Vice-President of the Executive Yuan and Finance Minister, upon his arrival in Shanghai Feb. 27 from Nanking stated that the Central Bank will be reorganized into a Reserve Bank within the shortest period; besides, he said, he would make all endeavors to strengthen the credit of all financial institutions in charge of foreign exchange by reforming their organizations, so as to facilitate the materialization of national economic reconstruction.

Fishery Banking Syndicate Inaugurated in Shanghai

A Fishery Banking Syndicate was formally inaugurated in Shanghai Mar. 1 under the auspices of the Ministry of Industry. The aim of the Syndicate is to extend small credit loans to fishermen in various parts of the country, with a view to promoting the development of the native fishing industry.

The Syndicate has a capital of one million dollars, of which $200,000 is contributed by the Ministry of Industry, and the remainder of $800,000 jointly raised by the 12 banks interested, in cluding the Bank of China, which contributed $120,000 and the Bank of Communications, which contributed $100,000 towards the capital.

Bank of China Makes Big Investments in Cotton Mills

The Bank of China has invested sums totalling $12,000,000 in cotton mills in the provinces of Shansi, Hopei and Honan. These mills enjoyed large earnings last year.

Kiangsu Chamber Urges Abolition of Business Tax

With the enforcement of the Income Tax in Kiangsu, the Provincial Chamber of Commerce has decided to petition the Ministry of Finance for abolition of the Business Tax so as to avoid duplication.

$600,000 Loan for Kansu Approved

Dr. H. H. Kung, Minister of Finance, Mar. 2 approved the proposal of Chen Tuan, Kansu finance commissioner, for a $600,000 loan from the Central Bank of China and Farmers Bank of China, which will be used to cover the deficit of the Kansu treasury during the last two months.

Large-Scale Bank to Be Established in Canton

The Kwangtung military and political authorities have planned to establish a large scale semi-official bank in Canton. Representatives have been dispatched to Hongkong and Shanghai in order to conduct negotiations in this connection.

Canton Bank Consortium to Extend $5,000,000 Credit Loans

A bank consortium has been organized in Canton to extend credit loans to local commercial and industrial circles. The total amount has been fixed at $5,000,000.

Kwangtung's Revenue from Land Tax Shows Increase

Setting a new high in Kwangtung's revenue from the land tax, the province last year registered an increase of $2,000,000 as against that of the 24th fiscal year. The revenue from the sea-beach farmland also recorded an increase of $200,000, according to official figures just published.

Chairman of Hongkong Bank Says Outlook of Chinese Finance Much More Promising

J. J. Paterson, chairman of the Hongkong and Shanghai Banking Corporation, presiding at the Corporation's annual meeting in Hongkong Feb. 28 said there is a wide realization that the international trade outlook is still obscure. Mr. Paterson declared that there was "an artificiality about the present world boom and in many countries the word has been applied with little real basis. The new wave of prosperity is liable to disappear like a pricked balloon if steps are not quickly taken to right certain basic economic factors which are known to be awry."

Speaking of China, Mr. Paterson paid a tribute to General Chiang Kai-shek, president of the Executive Yuan and chairman of the Military Affairs Commission, the Chinese Government, the Ministry of Railways and the Customs. He declared that bright spots had predominated in China during the year and said that the outlook of Chinese finance and commerce was much more promising.

Y Men's Club Holds Conference in Nanking

The first Central China District Conference of the Y Men's Clubs was held in Nanking this week at the International Club. Dr. Arthur Woo, governor of the South China district, and the Y Men's clubs in Shanghai, Tientsin, Tsinan, Peiping and Hongkong, sent congratulations.

Col. J. L. Huang, governor of the Central China district who presided, declared in the opening address that the underlying principles of the Y Men's movement were on the combination of pleasure with business fellowship, service and culture with patriotism.

Reports were read by Yinson Lee, regional director of China and the presidents from other cities who attended the sessions.

Among the questions discussed at the conference were classifications of age limits, service projects, promotion of inter-club relations and cooperation with the Y Men's International Association.

One of the resolutions passed was that the Y Men's Clubs in China should assist in the promotion of the New Life Movement sponsored by Generalissimo Chiang Kai-shek.

The above picture shows Dr. Roscoe Pound, Dean emeritus of the Harvard Law School, and Mrs. Pound, welcomed by a group of local friends upon their arrival in Shanghai Feb. 24 from Japan aboard the Japanese s.s. "Asama Maru." From right to left: Dr. Robert C. W. Sheng, Dean of the Comparative Law School of China; Dr. George Sellett, prominent local American attorney; Dr. and Mrs. Pound; Hoh Chih-hsiang, representing Dr. John C. H. Wu; and Dr. Y. F. Lu, former student at Harvard. After spending two days in Shanghai, Dr. and Mrs. Pound visited Nanking Feb. 26 and flew to Peiping Feb. 27. Returning to Shanghai by air March 1, they left for Bombay, India, March 2, aboard the s.s. "Naldera" en route to England. They are on a world tour and expect to return to the United States end of September.

Sun Yat-sen Memorial Prize to Total Three Million Dollars

The creation of a Sun Yat-sen Memorial Prize Fund of $3,000,000 for the promotion of academic studies was among the important resolutions adopted at the Third Plenary Session of the Kuomintang Central Executive Committee held recently in Nanking. The proposal for the creation of the fund was submitted by the Central Cultural Planning Commission, of which Gen. Chen Kuo-fu, Governor of Kiangsu Province, is concurrently chairman.

The purpose of the prizes is to promote academic studies and encourage social service as a step toward the rejuvenation of the nation and the building up of a modern state. The total sinking fund of $3,000,000 will be appropriated from the national treasury in three years. It will be deposited in the Central Bank of China with its annual interest, for awarding the prizes.

Northeastern University Opens in Kaifeng

The National Northeastern University, which has been moved from Peiping to Kaifeng, was formally opened Feb. 20.

Hopei Authorities Takes Over Defunct College

The Hopei Provincial Education Department took over the College of Law and Commerce in Tientsin, Feb. 20 after the school authorities had announced its dissolution in accordance with an order issued last year by the Hopei provincial government.

Dr. Kiang Kang-hu Will Give Lectures on Chinese Culture

At the invitation of Gen. Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council, Dr. Kiang Kang-hu, noted Chinese scholar, will give a series of public lectures, beginning on March 7, on the renaissance of Chinese culture and problems of cultivating personal character.

Students in Northeastern "U" Attend Class in Spite of Nanking Order

In defiance of the order of the Ministry of Education, a large number of students of the Northeastern University, of which Chang Hsueh-liang was former chancellor, carried on their class work in Peiping Feb. 24. Although the Ministry ordered the removal of the university to Kaifeng, the Honan provincial capital, only 150 students have enrolled thus far.

Japanese Military Colleges Refuse to Accept Chinese Students

According to a recently returned traveler from Japan, quoted by the *Shih Shih Hsin Pao*, all Japanese military colleges have ceased to enlist Chinese students.

Students Clash With Soldiers in Wuchang

The fighting power of the Chinese Army was fully manifested in their battle with the students of the Wuchang Fuwen Middle School in Wuchang, the *Shun Pao* of Mar. 2 stated. The fight was started by a misunderstanding between a young student and a Chinese soldier before the School gate. After the soldier was invited to the School building by the Principal to talk things over, more than 60 Chinese soldiers surrounded the School building and fired more than 20 shots. Several school teachers, coolies and students were injured. Efforts to mediate the dispute are now being made by the Police.

China Will Not Attend World Education Congress If "Manchukuo" Represented

China will attend the World Educational Congress to be held in Tokyo in August only if "Manchukuo" is not represented therein. A decision to said effect was reached at a meeting of a special committee of the Ministry of Education held in Nanking Feb. 28. According to a letter received from Dr. Paul Monroe, President of the World Federation of Educational Associations, the World Educational Congress office in Washington D.C. has not extended an invitation to "Manchukuo." Dr. Monroe, it is learned, is expected to arrive in Shanghai on April 27.

Col. J. L. Huang

New Life Movement Association Has New Chief

Col. J. L. Huang, Secretary General of the Officer's Moral Endeavor Association, was appointed Feb. 26 by Gen. Chiang Kai-shek concurrently as Secretary-General of the National Association for the Promotion of the New Life Movement, succeeding Gen. Chien Ta-chun, who has resigned on account of his other official duties.

"As Sweet As A Rose!"

Every girl likes to have this comment made about her—that she is "as sweet as a rose!" To acquire the charm which warrants such admiration the first essential is internal cleanliness.

The simplest means to ensure this, which is adopted by many girls and women—and men too—is to take an occasional dose of Pinkettes, the dainty little laxatives which act as gently as nature and neither gripe nor purge. Thus, the food tract is made clean and wholesome and, the tiny pills being purely vegetable and non-habit-forming, natural daily regularity is quickly restored.

Pinkettes dispel constipation, bilious attacks, liverishness, sick headaches, in a single night. They purify the breath, brighten the eyes, clear the skin of pimples and blotches, and induce that glow of health which is the hall-mark of true beauty.

Obtainable from chemists everywhere,

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In the United States Court for China

In re.
THE ESTATE
of
CHESTER ELTON COLT,
Deceased.

Cause No. 4174
Special Proceedings No. 2053
NOTICE
Filed at Shanghai, China, February 27, 1937.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Chester Elton Colt, deceased, to present the same with vouchers to the undersigned on or before September 6th., 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Julian R. Briggs, Administrator,
c/o American Club,
Shanghai, China.

Shanghai, China.
February 27, 1937.

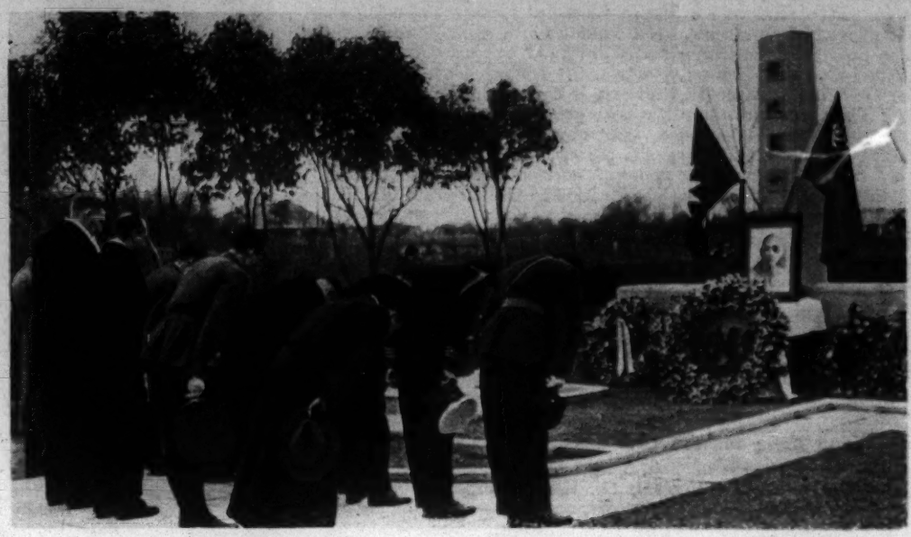
MEMORIAL SERVICE AT TOMB HONORS MEMORY OF LIEUT. "BOB" SHORT

A memorial service to honor the heroism of the late Robert ("Bob") Short, was held at his tomb at the Hangchow Airdrome near Shanghai Feb. 22 on the occasion of the fifth anniversary of his death. This heroic American airman sacrificed his life on behalf of the Chinese cause during the Sino-Japanese hostilities in 1932. Flying a brand new Boeing plane above Soochow he engaged six Japanese planes at one time, losing out in the encounter after a battle lasting about ten minutes.

As indicated in the picture herewith the tomb was decorated with several floral wreaths. The Chinese and Kuomintang flags and a picture of Dr. Sun Yat-sen were placed before the tomb, and a large Chinese flag flew at half-mast at the right. A group of representatives of the Chinese Government and organizations are shown bowing in honor of Lieut. Short.

Led by Tung Shin-peh, representative of the Shanghai Kuomintang office, a brief but impressive memorial service was held in honor of Lieutenant Short. Other officials present included Li Ta-chao, Secretary of the City Government of Shanghai and Representative of the Shanghai branch of the China Aviation League; Hsieh Shu-ming, representative of the 3rd High Court of Kiangsu; Hwang Yen-pei, Huang Kwei-sun, Representatives of the Shanghai Civic Association; and Soo Kung-wang, Air Defense Association. Huang Chao-hsing, Shanghai Educational Association, and representatives of the Chinese Navy and Bureau of Police.

Besides these official representatives of the Chinese Government and organizations, a number of friends of "Bob" Short also gathered at the tomb.



—China Press Photo by Buchman.

After the Chinese service, one of these friends, F. V Wagner, spoke briefly, thanking the Chinese organizations on behalf of Mr. Short's mother. Mr. Wagner also thanked the Chinese Government for the impressive tomb and beautiful grounds, which unfortunately, Mrs. Short has not yet been able to see.

The talk was translated into Chinese Mr. Young Sunn, another friend of the late Lieutenant.

News Notes from Canton

(By the Review's Canton Correspondent)

The National Economic Council has sent agriculture and irrigation specialists to Canton. These specialists called on Dr. Ling To-yang, Director of the Agriculture and Forestry Bureau on Feb. 15. On Feb. 17 Ng Koon-ki, Canton's member of the Rural Village Cooperative Committee summoned agriculture, forestry, and river conservancy officials to his office for a meeting with the specialists. Lengthy discussions on Kwangtung's rural problems were held at this time.

Liu Shek-sum, director of the Municipal Bureau of Social Welfare, has proposed a plan whereby Canton's temples, nunneries, and coffin storing warehouses will be converted into accommodations for the poor. The plan also includes the payment of a fair price for privately owned buildings selected.

Celebrating the third anniversary of the New Life Movement, more than 2,000 persons assembled in the Dr. Sun Yat-sen Memorial Hall on the morning of Feb. 19. Following a program of rites an inspection of the city was made by officials of the New Life Promotion Committee, policemen, government officials, and gendarmes. These groups made their investigation in order to see the actual results of the Movement.

Canton's laborers must receive a wage sufficient to support themselves and two non-productive relatives according to an order from the Reconstruction Commissioner. Juvenile workers' wages shall not be below half the adult wage. The City Chamber of Commerce has informed all business guilds of these regulations. It has pointed out also that not only must the rules be enforced but there must no oppression of the laborers.

Unlicensed opium addicts are being captured and punished by police authorities now that the time for license application has expired. The drive against the smokers began on Feb. 17 when plain clothese officers raided the divans and arrested offenders. After February 20 the rules of the opium suppression legislation will go into effect. Under these laws addicts will be shot after the third arrest.

Athletics in the form of Chinese boxing, football, and a marathon race were held Feb. 20. All three took place at the East Parade Ground. At 9 o'clock in the morning the Third Provincial Chinese Boxing Contest began. At 10 o'clock some 110 runners circled the Ground three times, proceeded through the city and then returned again to the field.

At 4 o'clock a football match between the East China team from Shanghai and the local Wa Luen team was held. The proceeds will be given to a fund for the Fong Bin Hospital.

With the arrival of the third anniversary of the New Life Movement, Canton began work on the second stage of the Movement, In this stage special emphasis will be placed on improving local conditions and the projection of constructive enterprises. These latter will include forestry, river dredging, food storage, irrigation and similar work. At the conclusion of the second stage district magistrates will make reports to the Provincial Government concerning their respective parts in the Movement's progress.

Officials of the Provincial and Municipal governments participated in a public tree-planting ceremony held in the Shekpai suburb Saturday, Feb. 20. Special buses were provided by the Municipal Government to carry those wishing to participate to Shekpai.

Canton, Feb. 28, 1937.

Shanghai American Chamber of Commerce Holds Annual Meeting

The twenty-second annual general meeting of the Shangha American Chamber of Commerce was held Feb. 25 at the American Club. C. S. Franklin, chairman of the Board of Directors, presided over the meeting, which was attended by about 100 persons. The specially invited guests were: Admiral Edward J. Marquart, Commander of the U.S. Yangtze River Patrol, Clarence E. Gauss, U.S. Consul-General, Julean Arnold, U.S. Commercial Attache, and Miss A. Viola Smith, Trade Commissioner and China Trade Act Registrar. All four guests addressed the meeting.

The following were elected to serve on the Board of Directors for the coming year:—Messrs. N. F. Allman, R. E. Binns, P. H. Bordwell, Frank C. Cleary, J. V. Crowe, C. S. Franklin, Mansfield Freeman, R. E. Gilleland, U. S. Harkson, P. F. LeFevre, James A. Mackay, R. E. O'Bolger, H. E. Page, W. H. Plant, and A. E. Schumacher.

An amendment was passed at the meeting whereby one member of the recently formed American Junior Chamber of Commerce, which started in May last year, might be invited to serve on the Board of Directors of the Senior Chamber.

A review of the year's operations was given by the Chairman Franklin in which he referred to Chinese court proceedure with respect to landlord and tenant disputes, the China Trade Act, Boxer Indemnity Funds, the Chinese American trade week last May and the Chinese-American night last November.

The following officers for 1937 were elected at a meeting of the directors March 1: W. H. Plant, president, A. E. Schumacher, vice-president; Frank C. Cleary, hon. treasurer; James M. Howes, secretary.

Pan-Asiatic Association to Have Branch in Amoy

BY THE REVIEW'S FOOCHOW CORRESPONDENT

According to the Amoy newspaper *Sin Kuang Jih Pao* (Feb. 18), the Formosan branch of the Pan-Asiatic Association will despatch several of its agents to Amoy, who, in conjunction with Chinese and Japanese residents in Amoy, will take steps to form an Amoy branch of the association. In the opinion of the *Sin Kuang Jih Pao*, the establishment of the branch association has more or less to do with the attempt of the Formosan Development Corporation to expand Japanese trade in South China.

Of direct interest in this connection, is a recent statement given by the principal of Hsu Yin Academy, a Japanese institution in Amoy. "The purpose of the Pan-Asiatic Association is to unite all Asiatic peoples under the banner of Co-existence and Co-prosperity. As it is advocated by many to establish an Amoy branch of the Association, we hope the association will be brought into existence in the nearest future."

Foochow Will Become a Municipality

To pave the way for establishment of a municipality, provincial authorities have appointed a Municipal Affairs Commission headed by Li Tsin-teh, Foochow Police Commissioner. There are now three bureaus, Bureau of Public Works, Bureau of Public Safety, and Bureau of Taxes. Another bureau will be established to take charge of adult education and public education.

Exhibition of Native Products in Changchow

The exhibition of native products is to be held in the Sun Yat-sen Park, Changchow (South Fukien), the opening ceremony being presided over by Chen Ti-cheng, Commissioner of the Reconstruction Bureau. Six Japanese agricultural advisers to the government are expected to attend the exhibition. Local authorities in Changchow have been instructed to give these advisers a hearty reception.

Cantonese Asked to Settle in West Fukien

As a consequence of communist raids and bandit ravages, most districts in West Fukien are sparsely populated and lie waste. With a view to bringing about rural recovery and town prosperity, the provincial government has negotiated with the Kwantung government to send a number of Cantonese to settle in Shan Hang, Wu Ping, and Ping Huo, three western Fukien districts.

Successive Discoveries of Coal, Silver, and Tungsten Mines in Fukien

As good luck would have it, silver mines have recently been found in Sien You (Hinghwa); managnese mines, in Huo Shan (near Amoy); tungsten and lead mines, in East Fukien; coal mines, in Huian (South Fukien). There has also been found in Chin Men (near Amoy) a quantity of clay. In the opinion of Chinese and foreign experts, excellent earthenware may be made out of the clay found in Chin Men.

Prominent Cantonese Appeal to Chiang for Dismissal of Chiang Chien Jen

In a speech to the cadets of Canton Aviation School, Chiang Chien-jen, Vice-Principal of Hangchow Aviation Academy, accused the Cantonese of lacking patriotism. His accusation soon aroused the anger of prominent Cantonese and party veterans. They appealed to Generalissimo Chiang for immediate dismissal of Chiang Chien-jen on account of his ignominy.

Regarding this dispute the Canton *Chung Shan Jih Pao* published a statement by Lieut.-Col. Chiang to the effect that he did not make any remarks in a weekly memorial service speech in Hangchow criticizing Cantonese for lack of national unity and patriotism. This has been accepted by his accusers and the incident is closed.

Development of Hainan Island and Nanao

Nanao, an island off Kwangtung, controls the entrance to both Fukien and Kwangtung. The island is best fitted for fishery. From the standpoint of national defense, the island is a place of strategic interest. The Canton government is taking measures to develop the island, which has hitherto been left uncared for.

As for development of Hainan Island, the plan has been jointly made by the National Economic Council and the Kwangtung authorities. The funds necessary for development are estimated at thirty millions.

Testing the Strength of Hongkong

With the war clouds gathering in the horizon of the Far East, the British government rushes to completion the Singapore base and fortifications in Hongkong. The late maneuvering, off Singapore, participated in by many warships and airplanes, proves that Singapore is not vulnerable to attack in case of an international war. Similarly, the government will conduct a maneuvering on a large scale, to test the military strength of Hongkong.

Erection of Waterworks in Foochow

The waterworks in Foochow are to be erected under the supervision of Japanese engineers. As reported by the *Min Pao*, Japanese organ at Foochow, the manager of the Shanghai branch of the Mitsui Company is coming to Foochow to negotiate with interested party about the erection.

Feb. 23, 1937.

In the United States Court for China

FRANCIS O. GREGORY, Plaintiff, vs. VESSIE GREGORY. Defendant.	Cause No. 4173 Civil No. 2052 ORDER Filed at Shanghai, China, February 26, 1937. WILLIAM T. COLLINS Clerk

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has on the 25th day of February, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 26th day of February, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 24th day of February, 1937, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein for the past six years, and that defendant's last known address was 934 G. Place, N.W., Washington, D.C.

NOW, THEREFORE, it is this 26th day of February, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 20th day of March, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 26th day of February, 1937.

MILTON J. HELMICK
Judge.

CUSTOMS NOTIFICATION NO. 1566

With reference to Notifications No. 1315, 1517 and 1557, concerning the movement of old or scrap metals, the public is hereby notified that in accordance with Government instructions old or scrap enamelled ironware is henceforth to be treated in the same way as old or scrap iron and be subject to the restrictions laid down in the above-mentioned Notifications.

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

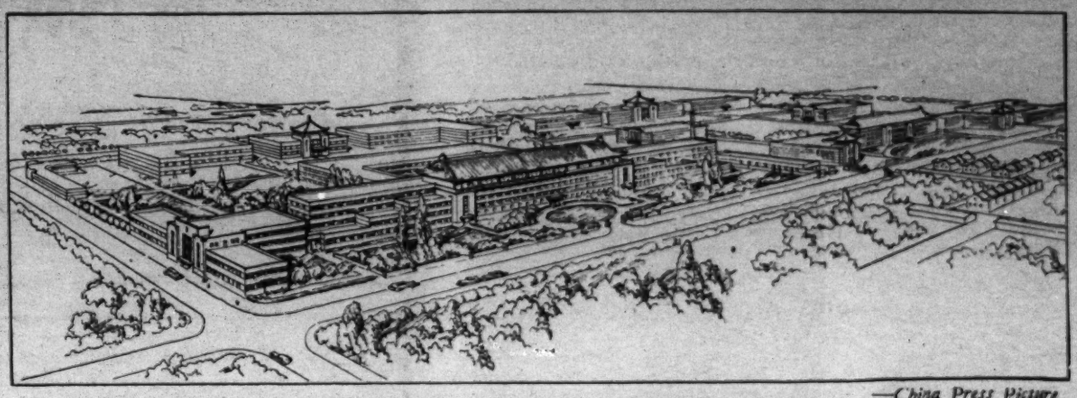
CUSTOM HOUSE,
Shanghai, 24th February 1937.

SHANGHAI MEDICAL CENTER UNITS WILL BE INAUGURATED AT CONFERENCE TO BE HELD HERE APRIL 1-8

An article in *The China Press* by Frank Ma says the highest medical authorities in China and a number of world-famous foreign scientists are scheduled to meet at the Fourth Biennial Conference of the Chinese Medical Association which will be held at Shanghai from April 1 to April 8. Perhaps even more significant than this is the fact that advantage will be taken of the occasion to inaugurate two of the largest medical centers of the Far East.

Prior to the Chinese Medical Association Conference, there will be a separate conference of the Council on Medical Missions, and the Third National Leprosy Conference organized by the Chinese Mission to Lepers.

The conference will be officially convened at a reception at the International Club on April 1. This will be followed by the dedication ceremony of the Shanghai Medical Center, situated at Feng Ling Chiao, at the end of Route Ghisi. After several years of checkered progress and anxiety to the promoters, this huge medical center (comprising the National Medical College of Shanghai, the Chungshan Memorial Hospital, the School of Nursing, the School of Pharmacy, etc.), the largest and most important medical unit in Asia, has now reached its final stage of completion.



—*China Press Picture*

Several units of the immense Shanghai Medical Center will be inaugurated at the biennial conference of the Chinese Medical Association, which will be held from April 1 to 8 at the center. The plan of the big medical center is shown above. The Municipal Hospital of the City Government at Kiangwan will also be officially opened during the conference, which will be attended by leading medical authorities of China.

Mayor Wu Te-chen has invited the whole conference to a reception at the Civic Center on April 3, when the occasion will be utilized for the official opening of the City Hospital and Municipal Laboratory.

At the conference, all the important medical men and women of the entire country, from Dr. J. Heng Liu down, will be present, as well as officials of the Ministries of the Interior, Railways, and Communications.

Armed Patrol to Protect Customs Officers in North China

The organization of an armed patrol to protect Customs officers from attacks by smugglers was decided upon at a joint meeting of representatives of the Tientsin Custom House and the General Bureau for the Prevention of Railway Smuggling held in Tientsin Feb. 26.

Two Truckloads of Smuggled Rayon Confiscated at Tientsin

Two truckloaks of smuggled rayon (artificial silk), totalling more than 300 bales, were detained and confiscated by the Customs at Hsiao-hsikwan Gate, on the outskirts of Tientsin, Feb. 25. At 3 p.m., a group of 30 Japanese "ronins" gathered before the Custom House in the Tientsin French Concession, and threatened to launch an attack. They were, however, dispersed by a detachment of French police. A unit of Japanese consular police also arrived, and arrested six of the "ronins."

Volunteer Corps in Tientsin British Concession to Suppress Smugglers

To prevent possible disturbances of Japanese and Korean ronin, such as that caused by the recent seizure of smuggled goods from a French concession godown, Voluntary Corps Units in the British Concession at Tientsin are reported to be taking steps to suppress any similar outrages.

Tientsin Power Company Increases Capital to $8,000,000

At its meeting Feb. 26, the board of directors of the Tientsin Power Company, a Sino-Japanese concern, decided to increase its capital to $8,000,000. It was further decided that half of this amount be paid up immediately, which means that the Chinese side must furnish $2,000,000.

Tangku Transportation Company Inaugurated in Dairen

The Tangku Transportation Company was inaugurated at Dairen, Feb. 25. It is reported that the company is capitalized at $2,000,000, of which the Hsin Chung Company has subscribed $800,000 and the International Transportation Company and the Dairen Transportation Company $600,000 each. The company will operate eight vessels along the North China coast.

Japanese Special Service Department at Changpei Abolished

All the "Manchukuo" troops from Jehol have been sent back to that province, with the exception of those commanded by Chang Hai-pung now stationed at Dolonor and Kuyuan. It is reported that the "Manchukuo" troops commanded by Li Shu-hsin will be withdrawn to Chiapushih. A Kalgan dispatch to the *Shun Pao* stated that these moves indicate that a certain party has changed its policy of invading Suiyuan. The Special Service Department of Japan in Changpei has been removed to Dolonor.

Withdrawal from North China Cited by Sugiyama

The withdrawal of the Japanese troops from North China in 1933, after the conquest of Jehol was cited Feb. 27 by Gen. Gen Sugiyama Minister of War, as evidence of the Empire's lack of territorial ambitions on the Asiatic continent. "Had we wished to occupy Peiping and Tientsin we could have done so easily," he said, "Instead we immediately withdrew our forces." "I believe that if the Chinese persist in charging us with such ambitions, they are doing it to arouse anti-Japanese feeling at home."

"The Government is convinced that Sino-Japanese relations can be improved by means of economic co-operation and we straining every effort in that direction," the War Minister added.

Japanese Intrigues in Shantung

The *Lih Pao* Mar. 2 stated that 30 suspicious Japanese arrived in Tsingtao several days ago. Disguised as Chinese, they have left for Chufu, Laiyang, Chinchow and Taian districts. It is reported that these Japanese are pursuing ulterior motives in their present tour of Shantung.

$20,000,000 Worth of Paper Notes to Be Issued in Eastern Hopei

A total worth of $20,000,000 paper notes will be issued by the puppet regime in Eastern Hopei. The notes will be circulated this month, according to reports quoted by the *Shih Shih Hsin Pao*.

Japanese Residents' Corporation Holds Elections in Shanghai

Representatives of banks, major business concerns and cotton mills will control the Council of the Japanese Residents' Corporation, in Shanghai the next two years as a result of two-day elections held this week. The banking-business bloc elected 14 of its candidates to the Council; the cotton mills assured themselves of 15 seats, and the "oldtimers" from the Hongkew District elected 10 councillors. The remaining seats will be held by independents.

With 659 voters abstaining, 3,920 went to the polls to express their preferences. Twenty-seven ballots were declared invalid.

With the elections at an end, the *Shanghai Nippo* urged the new Council to work for the recognition of the Japanese community as an equal partner in the management and the opportunities of the International Settlement.

Canton Now Has 200,000 Piculs of Rice on Hand to Meet Any Emergency

A decided drop in foodstuff prices, which for the past several months had been quoted at abnormally high levels, took place in Canton this week as the result of large shipments of rice and other cereals from provinces adjoining Kwangtung. The Canton Foodstuff Readjustment Office, with 200,000 piculs of rice on hand, is stated to be now able to meet any emergency in the Kwangtung foodstuff market.

Special Treatment for Foreign Cereals and Rice Into Kwangtung

The Chinese Ministry of Finance Feb. 27 issued an order to the Canton Customs, notifying it to accord special treatment to imported foreign cereals and rice during the period of shortage of foodstuffs in Kwangtung.

Transhipment to other provinces of foreign rice imported to Kwangtung is strictly prohibited by the Ministry of Finance, in an order to the Inspectorate-General of Customs, issued Feb. 24.

General Relief Commission to Spend $200,000 to Help Refugees

A sum of $200,000 is to be employed by the General Relief Commission for the relief of the refugees in various parts of the country during the coming spring. The amount will be defrayed from the $2 million Relief Fund for the 25th fiscal year provided by the Ministry of Finance.

General Chiang Kai-shek has made a personal gift of $100,000 for the relief of the various North-eastern refugees in the North-west.

In order to relieve the economic distress of the rural population in northern Shensi, General Kao Kwei-tzu, Commander of the 84th Division, whose troops are stationed in that part of the province, has recently requested the Executive Yuan to remit a sum of $200,000 to be utilised for the grant of small credit loans to necessitous peasants and for the purchase of rice to be sold to the people at a nominal price.

Szechwan Asked to Economize so as to Relieve Drought Plight

An appeal to the Szechwan inhabitants to economise their food in view of the serious drought which is holding the province in its grip was made by Gen. Liu Hsiang, chairman of the Szechwan provincial government, at an enlarged weekly memorial service Mar. 1. Not a drop of rain has fallen in Szechwan since last fall.

Central Government to Remit $270,000 to Relieve Honan Famine Victims

The Central Government will shortly remit another sum of $270,000 to Honan for the relief of the famine victims.

Rise of Yellow River Level Causes Anxiety

Fickle weather in recent weeks, which caused the ice on the Yellow River to melt intermittently during the present high water season, has aroused the anxiety of the Hwangho Conservancy Commission. In view of the rise of the water level as a result of the blockade of ice floes, Kung Hsiang-yung, chairman of the Commisson, has dispatched agents to Honan, Hopei and Shantung to supervise the strengthening of dykes along the River

$1,200,000 Worth of Opium Dumped into Honan Monthly

According to the Honan Anti-Opium Association, no less than $1,200,000 worth of opium is dumped in Honan every month. It is reported that this large quantity of opium is sent to Honan by ronin of "a certain country," a Hsuchow dispatch to the *Sin Wen Pao*, Feb. 25, stated.

Korean Narcotic Den Raided in Peiping

Acting in co-operation with Japanese consular police, a party of Chinese police raided a Korean-managed narcotic den inside the Chien Men at Peiping Feb. 22 and arrested 27 Chinese drug addicts and the Korean proprietor. The proprietor was subsequently handed over to the Japanese consular police.

Hopei Orders Drug Suspects to Be Given Fair Trial

Care should be taken by the local authorities in handling drug dealers and drug addicts and no torture should be inflicted on suspects during trials so as to avoid any injustice, according to a circular order issued by Gen. Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council, Feb. 27.

Drug Trafficker Executed in Loyang

Capital punishment was meted out in Loyang for the first time Feb. 21 since the promulgation of the new regulations on opium suppression, when Li Ying, a drug trafficker, was executed before a firing squad. Li was arrested last year.

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Five Year Economic Plan Adopted by Third Plenary Session of the C.E.C.

One of the most important resolutions adopted by the Third Plenary Session of the C.E.C. of the Kuomintang was one dealing with a Five-Year Plan for the Economic Reconstruction of China. The resolution, sponsored by Dr. H. H. Kung, Minister of Finance, Gen. Chiang Kai-shek, Dr. T. V. Soong, chairman of the Board of Directors of the Bank of China, Wang Ching-wei, chairman of the Central Political Council, and Sun Fo, president of the Legislative Yuan, calls for a total expenditure of $2,082,000,000 in the next five years. The sum will be raised by the Central Government, the provincial governments, Chinese financial circles, as well as by foreign loans in the form of building materials and machinery.

The economic project calls for the completion of a land survey of the entire country, development of communications, development of conservancy works, and the promotion of industry, agriculture, forestry, mining, and fishery.

Dr. H. H. Kung States Nation's Finances Will Be Further Consolidated

Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance, on his arrival in Shanghai Feb. 26, stated that further stabilization of the national currency as a means toward consolidating the financial structure of the nation and the development of agriculture, industry and commerce as a step toward the enhancement of the people's livelihood will occupy the major attention of the Ministry of Finance.

$200,000 Silk Filature Planned in Chinkiang

The establishment of a $200,000 silk filature in Chinkiang with up-to-date machinery and modern methods of management is being planned by the provincial government. A lot of land in the vicinity of the historically famous Chinshan Temple in the suburbs of Chinkiang has been chosen as the site of the projected filature.

Subsidy for Whampoa Harbor Development

The Whampoa Reconstruction Commission has received a grant of $200,000 from the Ministry of Railways for the development of the projected harbor in Whampoa.

Additional Ferry-Boat to Be Built for Tientsin-Pukow Service

To meet the increasing river traffic between Hsiakwan and Pukow, the Tientsin-Pukow Railway Administration has drafted a plan for the purchase of an up-to-date ferry to augment the present fleet of ferries now plying the Yangtsze. The new ferry will be slightly bigger than the s.s. *Chengping*, largest of the Tsinan ferries, in size and will cost $360,000 to build.

Kiangsi to Build Cotton Plant and Paper Mill

The Kiangsi Provincial Government has decided to build a paper mill and a cotton plant this year. It is reported that the paper mill will be capitalized at $1,000,000 and the cotton plant at $3,000,000.

$1,000,000 Profit From Tea Monopoly in Anhwei Province Last Year

As a result of the establishment of a tea monopoly, the Anhwei provincial government has netted a profit of $1,000,000 from the Keemun tea trade last year, it was disclosed in Wuhu Feb. 27.

Office of Proposed China Tea Corporation to Be Established in Shanghai

The Head Office of the proposed China Tea Corporation a semi-official enterprise, sponsored by the Ministry of Industry, is to be established in Shanghai. The capital of the Corporation has been fixed at $2,000,000, of which $600,000 will be subscribed through the Ministry of Industry; $400,000 through the Anhwei Provincial Government; and $200,000 each through the five Provincial Governments of Fukien, Chekiang, Kiangsi, Hunan and Hupeh.

Anhwei to Spend $100,000 on New Oil Refinery Machinery

A sum of $100,000 has been remitted to the China Vegetable Oil Refinery at Shanghai by the Anhwei Provincial government for the purchase of machinery for the projected branch refinery at Wuhu. The branch is to be established jointly by the Anhwei provincial government and the China Vegetable Oil Refinery.

Dr. Y. G. Chen Addresses Nanking Rotary Club on China's Export Trade

Dr. Y. G. Chen, president of the University of Nanking, who recently returned from a tour of America and Europe, addressed the Nanking Rotary Club Feb. 25 on China's export trade, with special reference to the tung oil and soya bean oil industries.

Government Orders Four C.M.S.N. Ships Out of Commission

In line with its polcy of ensuring safety at sea, the Ministry of Communications has ordered the withdrawal from service of four old ships belonging to the China Merchants' Steam Navigation Company. The condemned vessels are the *Sing Min*, the *Sing Fong*, the *Kung Ping* and the *Tai Shun*.

Executive Yuan Asked to Readjust Pinghsiang Coal Mine

The Reconstruction Department of Kiangsi recently filed a petition with the Executive Yuan requesting the latter to take steps to readjust the Pinghsiang Coal Mine which, once one of the leading coal mines in Central China, is now in a whirlpool of difficulties.

Sian-Lanchow Highway Opened to Traffic

The entire route of the Sian-Lanchow Highway was opened to traffic Feb. 26.

N.E.C. Allots $100,000 for Highway Building in Northwest

As a result of negotiations conducted between T. C. Chao, vice-director of the Bureau of Roads of the Notional Economic Council, and Tseng Hsiang-wu, director of the Northwest Highways Administration, the Council will allot $100,000 to finance the construction of the last sector of the Sian-Lanchow highway.

New Railway to Link Honan and Anhwei

To exploit the mineral and other natural resources and to rehabilitate rural economy in Anhwei and Honan provinces, a 140-kilometer railway linking Hofei and Yehchiachi, in central and west Anhwei, respectively, will soon be constructed under the joint auspices of the Anhwei and Honan provincial governments.

Chinese Railway Report for Year 1934-1935 Shows Increased Surplus

Statistics of the Chinese National Railways for the fiscal year July 1, 1934 to June 30, 1935, have been published in a book of 114 pages. The net operating revenues for the year were $56,785,789.91; the net income debits $28,939,974.68; so there was a surplus for the year of $27,845,815.23 as against $7,978,651.71 in the previous year.

The operating percentage for the fiscal year under review dropped from 69.8 to 66.1 and this lower average is accounted for by the fact that the percentage of increase in operating revenues exceeded the percentage of increase in operating expenses. Of the fifteen lines in the system, ten reported a lower ratio. Attention is called to the excellent accomplishment of the Peiping-Hankow Railway and also that of the Hupeh-Hunan Railway. The operating percentage of the former line was 54.3 and is the lowest for the past ten years. Hithertofore, the Hupeh-Hunan's operating ratio had invariably exceeded the 100 per cent mark, but this time it was only 86.7.

The net surplus carried over from the Income Account at the end of the current fiscal year was $27,845,815 or $19,867,163 more than that of the fiscal year ending June 1934. This increase was the result of the increased net revenue and a decrease in the net income debit.

Competition for Chinese Wood Oil in the United States

"Chinese Opinion on Current Events" contains a translation by Fang Fu-an of an article on "Apprehensions about the Wood Oil Market in the United States" from the *Ta Tung Pao*. The article cites figures to show that Chinese producers have no need to fear competition from American planters, although the Nanking Government ought to find ways to assist Chinese farmers in planting and pressing. Articles on wood oil have appeared in *The Review* as follows: "New Wood Oil Combine Formed to Help Trade, June 6, 1936; "Tung Oil Fuces Foreign Threat," Jan. 9, 1917.

Ishiwara Industrial Company Decides Upon Capital Increase to Develop Mines in Malaya

The Ishiwara Industrial Company has decided to increase its capitalization from Yen 5,000,000 to Yen 10,000,000 (fully paid-up) on April 1, this year. The company is reported to have been compelled to take this measure in order to raise funds for meeting expenditures in connection with the exploitation of two mining lots the rights for which the company recently obtained in the Malay Peninsula. One of the mines is the Ronbin Iron Mine situated along the eastern coast of the Malay Peninsula from which the company hopes to produce 1,000,000 tons of iron ore annually; the other is a bauxite mine from which the company hopes to secure 3,000 metric tons of bauxite ore this year.

Missionary Doctors Arrested in Tzeliutsing—Later Released

The *Shanghai Times* correspondent wrote from Chengtu Feb. 24 that two members of the United Church of Canada Mission, in Tzeliutsing, Dr. W. J. Sheridan, from Toronto, and Miss Geraldine Hartwell, from Vancouver, were arrested by an armed guard of about 20 soldiers, and marched through the streets of the city like criminals. The incident arose as the result of the complaint of a certain Colonel's wife, Mrs. Ma, who had asked for medical treatment. The prisoners were released after three hours detention as a result of intercession made by friends of the missionaries, including the manager of the local branch of the Bank of China.

Who's Who in China

Huang Pei-tu (Huang Jui-yuan), diplomatic official; born at Shu-cheng, Anhwei in 1890; LL. B. (Kiang Huai University); Member of the Anhwei Provincial Assembly; Member of the Lower House of the First Parliament; Intendent of Circuit of the South-Anhwei districts; Secretary of the Cabinet (Peking Government); Secretary in the Presidential Office; Secretary to the Provisional Chief Executive of China; Secretary-General of the Cabinet; Secretary in the Nationalist Revolutionary Army Headquarters; Chief Secretary to the Garrison Commander of Shanghai; Principal Secretary of the Central Famine Relief Commission; Member of the Standing Committee of the National Flood Relief Commission and concurrently Director of the General Affairs Department of the same Commission; was awarded Tsai Yu decoration with Blue Grand Cordon; now Secretary of the Chinese Embassy at Tokyo; address: Chinese Embassy, Tokyo, Japan.

黃伯度原名瑞菱
Huang Pei-tu

黃伯度，原名瑞菱，安徽省舒城縣人，生於一千八百九十年，江淮大學法學士，安徽省議會議員，第一屆衆議院議員，皖南道尹，國務院秘書，總統府秘書，執政府秘書，國務院秘書長，國民革命軍總司令部秘書，上海警備司令部秘書長，中央賑務委員會主任秘書，全國水災義振會常務委員兼總務組主任，特給藍色大綬采玉勛章，現任駐日本大使館秘書。

Japanese Troops Arrive in North China

A total of 1,080 Japanese soldiers arrived in Tientsin early Mar. 1 from Japan by way of Chinwangtao, bringing with them 100 horses, four heavy guns, 12 field gins and 50 machine guns. Of the 1,080 soldiers, about 400 remained in Tientsin while the remainder proceeded to Fengtai and Peiping. Later in the morning another train-load of Japanese soldiers arrived in Tientsin from Chinwangtao, numbering about 800. These troops brought with them six heavy guns, 36 horses, four tanks, 24 machine guns and six heavy trucks. Of these soldiers, about 800 are newly-enlisted Japanese youths, sent to North China to obtain practical military training. These new soldiers represent the increased Japanese military strength in North China, the *Shun Pao* of Mar. 2 stated.

At his weekly interview with foreign correspondents in Peiping Feb. 26 Major Imai, Japanese military attache, was asked about reports in the local press to the effect that the Japanese garrison in North China is to be increased by a considerable number of men. Major Imai said there was no truth whatever in the reports.

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5. THE CHINESE RAILWAYS, By Cheng Lin,
   (Out of Print; 2nd Ed. in preparation.)
6. THE NEW SOCIAL ORDER IN CHINA, By T'ang Leang-Li,
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7. CHINA FACTS AND FANCIES,
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8. CHINA'S NEW CURRENCY SYSTEM, By T'ang Leang-Li,
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Men and Events

Israel Epstein, newspaperman from Tientsin, was in Shanghai on business this week.

The offices of the Sian *Si Pei Wen Hwa Jih Pao* were destroyed Mar. 1 by fire. It is reported that the fire was caused by a defect in the electrical installation.

William P. Hunt, Shanghai shipping executive, departed last week for Manila for the purpose of arranging a direct service between China and the Philippines on behalf of the China Merchants Steam Navigation Company, for which Mr. Hunt is serving as adviser.

E. O. Heuser, for many years connected with the National City Bank, this week announced that he became associated with S. E. Levy & Co., stock brokers, Continental Bank Building, 113 Kiukiang Road, Shanghai.

The death occurred in London Mar. 1 of Sir James Haldane Lockhart, for many years British Commissioner at Weihaiwei. He was in his 79th year.

The Voice of China, a magazine published in Shanghai, was banned from Singapore Feb. 27, on the score that it had violated the seditious publications ordinance.

Spencer Penrose, millionaire American mine operator and builder of the monument to the late Will Rogers, is a visitor to Shanghai, having arrived from America last week.

Princess Kao Yi-chi, progressive ruler of the Miao tribes in Yunnan, who has been visiting in Nanking for the past 10 months, is expected to leave the Capital shortly for the southwest.

Overseas Chinese in the United States have petitioned the Executive Yuan requesting that China participate in the forthcoming New York World's Fair to be held in May, 1939.

Miss Lu Pao-fen, popular and talented amateur actress and second-year student at Bridgman Academy in Peiping will not be able to appear again on the local stage for charity until she graduates next year.

Mrs. Elso Cedergren, National President of the Y.W.C.A. of Sweden, and a member of the World's Y.W.C.A. Council, was a visitor in Shanghai this week, and a guest at various Association functions.

Madame Flora Rosemberg, well known French barrister-at law has returned to Shanghai from an extended business trip to Paris. Madame Rosemberg returned to Shanghai by way of the United States.

Dr. J. E. Murray departed for his home in Scotland last week on retirement after practising in Shanghai for 28 years. He was born at Galashiels in 1883 and is a graduate of Edinburgh University.

Tsai Hsiu-ping, manager of the *Canton Times*, Wang Kuo-shih, editor of the *South China News Agency*, and 10 other newspapermen, were arrested without warning Feb. 28, the *Shanghai Nippo* of Mar. 2 stated.

A Commercial Museum of Taiwan just been established at No. 1, Siking Road, Shanghai, under the direction of S. Takayi. The Museum is under the control of the Government-General of Taiwan (Formosa).

China Enterprises (P.O. Box 1395) Shanghai, has has issued its annal edition of "Tsingtao—The Riviera of the Far East." It contains more than 100 pages of useful information concerning said popular summer resort.

General Wei Yu-san, a member of the National Military Council at Nanking, after concluding a fortnight's intensive study of British military establishments, departed from London for Belgium Feb. 27 and will later visit Germany.

With the advent of warmer weather, shipping is now able to go up-river as far as Tientsin. The ice blocks off Taku Bar have completely thawed, and the water level on the Hai Ho is gradually returning to normal.

Nan-wei Cheng, B.A., M.A., B.J., son of Sze-Yien Cheng of the Great Northern Telegraph Company, is scheduled to return to Shanghai from the United States next week, where he has been attending school for several years.

D. Bogomoloff, Soviet Ambassador to China, is expected to return to his post in Nanking by the end of March. The Soviet Ambassador proceeded to Moscow last year for the purpose of attending the Soviet Congress.

The Kwangtung Provincial authorities are taking steps to effect the release of more then 1,000 political and other prisoners of the Kwangtung Provincial Jail. Each of the released prisoners will be given two dollars to return to his home.

The cinema pictures "Mary of Scotland" and "Mutiny on the Bounty" have been barred in Japan, the former on the ground that it might be disrespectful to the throne and the latter because it is regarded as too revolutionary for Japanese audiences.

Miss Pai Yu-shuang, better known as White Jade Frost of peng-peng theater fame, who suddenly disappeared recently from Shanghai following a quarrel with her adopted mother, is stated to be in Tsingtao.

Dr. F. L. Hawks Pott President of St. John's University, proceeded this week, to Nanking, where he was the guest of honor of the Nanking Branch of St. John's Alumni Association, of which Dr. Y. T. Tsur, Vice-Minister of Industries, is president.

Miss Mary Nourse, author of "The Four Hundred Million," a textbook, which the Shanghai American School is using as the history book of China, was honored at a tea party given by Mrs. N. F. Allman in her Amherst Avenue home in Shanghai Feb. 25.

Lin Sen, Chairman of the National Government and Gen. Chiang Kai-shek, will each plant a tree in the Sun Yat-sen Mausoleum Park on March 12, the 12th anniversary of the death of the late Kuomintang Founder and the National Arbor Day.

The United States naval transport *Henderson*, with a load of 600 sailors and marines for stations in China and China waters, arrived in Shanghai Feb. 27 after a short trip to Chinwangtao. The vessel will remain here until March 9 when it will sail for America via Manila.

The death occurred in Dublin, Feb. 26 of the Reverend Alfred Sills, former missionary in Kienning, Fukien. He will be remembered for the strenuous efforts he made to rescue the missionaries, Misses Eleanor Harrison and Edith Nettleton, from bandits in 1930.

Dr. J. G. Andersson, Swedish Archeologist and discoverer of the Peking Man in 1928, gave a series of lectures at the National Central University, the University of Nanking, the Central Polirical Institute, and the Geological Institute of the Ministry of Industry, this week.

The head office of the China International Famine Relief Commission, which has been situated in Peiping for more than 15 years, is being moved to Shanghai, according to a decision made by the Executive Committee on Feb. 19. The transfer is expected to be completed in two months.

An article by Dr. Paul Schwarz, former German Consul in New York, in the *New York American* Jan. 25, paid a tribute to China's financing program. Dr. Schwarz stated that remarkable progress has been made in stabilizing the yuan and improving the economic status of the country.

A banquet, followed by a program of speeches and entertainment, marked the opening this week of the Soviet Club of Shanghai, located at 64 Route de Grouchy. Three hundred charter members, headed by the Consul-General of the U.S.S.R. and other leading Soviet residents, attended the event.

Felthan Watson, former U. S. district attorney in Shanghai, and at present a special assistant attorney general in Washington, was married to Miss Janette Campbell McCormick of Glasgow, Scotland, Jan. 15, at St. Matthew's Catholic Church in Washington. He first met his bride in Shanghai three years ago.

Funeral services for the late Judge Milton D. Purdy, who died in Honolulu Feb. 13, took place at the home of his friend, Judge John Meighen in Albert Lea, Minnesota, Feb. 28. Word concerning the funeral was sent here by W. R. Johnson, the late Judge's son-in-law, now residing in Kansas City, Mo.

Louis Jacot-Guillarmod, the chancellor of the Swiss Consulate General in Shanghai, who disappeated in 1935, and has been a fugitive from justice ever since, was discovered in Nanzing Road, Shanghai, Feb. 26, when he was arrested by the Municipal Police. A charge of embezzlement has been brought against him.

Ralph Fox, a well know English writer, who spent considerable time in Russia and Central Asia and who wrote an excellent life of "Genghis Khan," based on original sources, was killed in Spain in Jan. 3. Mr. Fox, who was a member of the British communist party, volunteered for service in Spain and was leading the 11th Brigade of the International Legion against the fascist troops before Madrid when he was killed.

The death occurred recently in Berkeley, California at the age of 77 of James L. Cowan, for 20 years manager of the Methodist publishing company here and later editor of the *Hankow Herald*. He is survived by two daughters: Mrs. I. G. Riddick of Shanghai and Mrs. W. H. Sanford of Dairen; and a son, James L. Cowan, Jr., now residing at the family home in Berkeley. The late Mr. Cowan left China about six years ago to go into retirement in California.

Officially ending the lengthy Chinese New Year holidays, the inhabitants of Nanking celebrated the Lantern Festival with the customary trimmings Feb. 25. With varieties of lanterns displayed to attract the holiday crowds, large numbers of children swarmed to the Confucius Temple square to purchase lanterns of all shapes, sizes, materials and prices. Reports from other cities stated that similar celebrations were observed to fittingly close the lengthy lunar new year holidays.

Payment of a dividend to the creditors of the American-Oriental Finance Corporation, Federal Inc., U.S.A., one of the defunct Raven concerns which closed its doors in May, 1935, has been delayed until April, owing to the fact that more time is required than was anticipated to make an analysis of the claims of creditors, according to an announcement made by Dr. George Sellett, liquidator, last week. The statement said it was probable that before March 15, 1937, creditors will be informed of the manner in which it is proposed to deal with their respective claims, whereupon they will be given opportunity for filing any objections which they may have.

A telegram from Vatican City last week stated that there are now 3,000,000 Roman Catholics in China. The number of additions, due to conversions and births during 1936, was 115,336, which represented an increase of 19,000 over the figure for the previous year, which was itself the highest ever previously attained.

Rev. Hope Moncrieff, senior missionary of the Amoy Mission of the Presbyterian Church of England, is returning to Scotland this month, sailing from Shanghai in the *Empress of Japan* and travelling via the States. Mr. Moncrieff, who is 63 years of age, came out East in 1898, and has a connection of over 38 years with Mission work in China.

Thirteen members of the Baptist Missionary Society returned to their stations in Sian this week. Several score of missionary workers in Shensi, who had hurriedly left their stations at the time of the Chang coup in January, some stopping at Tsinan and the others coming to Shanghai, also were preparing this week to return to their missionary labors in said province.

A judgment in favor of nine Chinese merchants for $11,749 has been given against R. W. Mayer, former manager of Newmilks Ltd., a dairy, by the United States Court for China. In giving the judgment in favor of the Chinese, known as Yu Shing and partners, Judge Helmick ruled that the defendant broke his contract in a stock transaction. The plaintiffs originally claimed $26,000.

The hope that Japan will not follow the example of Germany "who used the Olympic Games as a means for the propaganda of her materialistic and militaristic policy" was expressed in New York, Feb. 19 by Jeremaih Mahoney, Chairman of the American Amateur Athletic Union, in a letter accepting Japan's invitation extended American athletes for the next Olympiad, to be held in Tokyo in 1940.

Dr. Roscoe Pound, Dean Emeritus of the Harvard Law School, and Mrs. Pound—who are travelling round the world—were guests of honor at a luncheon given by Wang Yung-pu, Minister of Judicial Administration, in Nanking Feb. 27. Dr. Pound delivered a lecture at the Institute for the Training of Judicial Officials, attended a reception of the China Law Association, and also addressed the students of the National Central University an hour later.

Gen. Yu Han-mou, Pacification Commissioner for Kwangtung, who postponed his departure for Canton to Mar. 5, was introduced to over 80 civic leaders of Shanghai at a luncheon party given in his honor by Mayor Wu Te-chen of Greater Shanghai Mar. 2 at the Park Hotel, Shanghai. The importance of Kwangtung to the rest of the country, in the fields of communications, currency, and commerce, was touched upon by Mayor Wu in the course of an address of welcome.

The National City Bank of New York has published in brochure form the report of James H. Perkins, chairman of the board of directors, at the meeting of stockholders held Jan. 12, 1937. The principal feature of the report is that the business recovery which became evident in 1935 had continued with increasing momentum in 1936. The balance sheet shows that the Bank as of Dec. 31, 1936 had deposits of $1,713,840,229.36. Dividends paid totalled $3,100,000.

Preliminary proceedings against Mrs. Matilda McGarry, Mrs. Dorothy Soar and Mrs. Ivy Plaskett, wives of British soldiers in Tientsin, who are accused of having conspired to perform numerous abortion operations, were concluded in the British District Court in Tientsin recently. Mrs. Soar and Mrs. Plaskett are also charged with murder. All abortion charges arise out of violation of Section 58 of the Person Act. The accused entered pleas of not guilty on all charges. The three women were committed to trial before the BritishSupreme Court.

The current issue of the *Far East Magazine* runs into 216 pages and is devoted to the "Development of Greater Tsingtao, Shantung, Industry and Engineering." Prominence is given to political articles including a discussion of the problem of a strong foreign policy after settlement of the Sian episode, and a speech by Hsu Mo, political vice-minister of foreign affairs, on "The Achievements of the National Government Under General Chiang Kai-shek's Leadership."

The fifteenth anniversary campaign of the China International Famine Relief Commission has brought in, up to the end of February, a total of $17,792.95. The campaign was launched last November with a view to securing adequate funds to carry out the commission's new relief and engineering program. In spite of unforeseen political disturbances the north-west, the anniversary drive was supported by many of the comission's staunch supporters and is still making steady progress.

Twenty doctors, mostly assistant directors of prominent hospitals and faculty members of medical colleges in China, have joined the Hospital Management Inquiry Mission, organized by the Medical Education Committee of the Ministry of Education. They inspected hospitals in Nanking this week. Next week, the members will leave on a two-month inspection trip for Peiping, Tehchow, Tsinan, Wuhu, Soochow and Shanghai, after which they will return to the capital to hold a conference.

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THE SHANGHAI NICHI NICHI SHIMBUN

455 CHAPOO ROAD SHANGHAI

New Books of Interest in the Far East

An Important Principle in International Law

The Doctrine of Rebus Sic Stantibus in International Law. By T. Young Huang, M.A. Ph.D. 1935. The Comacrib Press, Shanghai, China.

At our time of incessant wars, perpetual internecine and international conflicts, books devoted exclusively to treatment of problems in the realms of International Law are to be received with particular attention.

Professor Huang's monograph under review, dealing with the doctrine of *rebus sic stantibus* in International Law, is undoubtedly worthy of the very complimentary foreword to it written by Dr. V. K. Wellington Koo who calls the book "a scholarly treatise which will surely commend itself to all those who are interested in the study of international law as a living force to promote the cause of justice, peace and the orderly progress of the world."

The origin and the history of the doctrine, its scope and problems underlying its application, all this is lucidly and comprehensively exposed by Professor Huang in his work which also offers a valuable account of its latest development in municipal and international tribunals as well as in diplomatic negotiations.

The application of the doctrine to situations resulting from the so-called "unequal treaties" as well as to the problem of extra-territoriality is apt to provoke interest on the part of everyone concerned with China's destinies and stimulate the acquaintance-ship with the problems of International Law in their relation to practice.

We do not hesitate in recommending Professor Huang's book not only to scholars and students of International Law but to any intelligent reader aiming at enriching his knowledge in various departments of science.

A. G.

The Biography of an American Revolutionary

John Reed, The Making of a Revolutionary, by Granville Hicks, with the assistance of John Stuart. New York: The Macmillan Company. U.S.$3.50.

A career which began in the mansion of one of Portland's first families and ended in a crypt under the Kremlin is sufficiently unusual to be of more than passing interest. How did such a beginning lead to an ending so out of keeping with the normal.

According to Granville Hicks nothing in John Reed's early life indicated that it would take the direction it did. There was no psychological maladjustment; his home life was thoroughly normal. To be sure, he was subjected to liberal influences; his father was an ardent supporter of Theodore Roosevelt. Youthful John Reed showed that he had a sensitive, sympathetic nature. "He was potentially a poet. It was not merely that he had romantic dreams and had learned to play with words. There was a kind of singleness in his nature, despite its many contradictions. Thought, feeling and action were fused in him. He went from experience to experience, seizing what belonged to him and eventually rejecting all else."

When he left college Reed wanted a literary career on his own terms; he was not long in discovering that "paying magazines get what they pay for." He found his outlet in *The Masses*, and a beginning was made in his association with working class ideology. The sudden revolt of Francisco Villa in Mexico gave him his real opportunity; his coverage of the campaign was considered the finest piece of reporting ever turned in by an American war correspondent. If he had previously failed to identify himself with the working class, his reporting of a mine strike at Ludlow, Colorado, definitely placed him on their side. His fundamental honesty could not tolerate the hypocritical and often brutal attitude of the bourgeoisie toward the sufferings of the proletariat.

The World War consolidated Reed's economic and political thinking; he abhorred it. His experiences as a correspondent on the Eastern Front and his reading of Marx and Engels convinced him that the working class had been betrayed by their leaders. When the Russian Revolution broke, Reed did not at first recognize it for what it was, but he quickly changed his opinion. Money was raised by friends of *The Masses*, and he and his wife, Louise Bryant, departed for Russia in time for Reed to report the whole October Revolution. The result of his experiences was "Ten Days That Shook the World," a truly great book.

Regardless of one's political or economic prejudices, Mr. Hicks' sympathetic biography is worth reading and interesting as an attempted study of one man's development from conservatism to radicalism. That the author failed to give a convincing reason for John Reed's development does not detract too much from the book's value. The essential character of Reed as a man among men shines through. However, either the author had no knowledge of or omitted the true psychological factors which led John Reed to think beyond his fellows and through thinking to accept Communism as the next and logical step in the world's development. For it is patently evident that John Reed was an extremely intelligent man and could not have been merely "a revolutionary out of the goodness of his heart." However, the book is well written and worthy of a place among contemporary biographies.

D. D.

The Tribulations of a Country Editor

Brief Kingdom, by Gerald Breckenridge, an inspiring novel of a young man, a girl and a country newspaper. Doubleday, Doran & Co. Garden City, New York.

Men forego kingdoms, sacrifice lives and sometimes families, all for an ideal, and this young newspaper man who went out into the world in his early twenties, to defeat the depression and maintain his ideals, didn't win the power and distinction he sought in a material way, but in the end was far greater for his emotional experiences.

Jimson Andrews, a youthful newspaper man who was imbued with a desire to have his own paper, set out from the city one day, leaving a steady job and this during the height of the depression, for the country. He found in Carterville, Virginia, one of the last hand-set newspapers in the country, which had passed from hand to hand, and in the face of a non-cooperative narrow community, he plunged his meagre worldly wealth of one hundred dollars for the down payment, and with grim determination to win, started to edit his paper. His dramatic battle against mental hazards and his meagre resources, so humanly told by the author, makes the reader wonder if this isn't an experience of reality. Jimson finally made the influence of his paper felt throughout the community of Carterville and the surrounding towns, even to the extent of being approached by various political parties, offering the usual reward for furthering their respective whims and fancies, but his love for truth and the vitality of youth to win out at all costs, made him weigh these offers and find them not sufficient cause to sell his soul.

The companionship and help his old friend Link of childhood days, the fine friendship which sprung up during the long hours of labor with the old printer, Grover, who had seen the death and birth of this newspaper innumerable times, and first his loyalty and then love for Doris, who was more or less an outcast in the community, helped him to carry on his fight at all odds. "The importance of this book lies far beyond the mere record of dramatic events; it wins its power and distinction by the relation of those events to the shaping and forging of the character of an individual, and by the force of its restraint.

M. P. W.

Chinese Solidarity Abroad is Shown in Novel

". . . . Do Not Do Unto Others!," a novel, by Press Eberhart. The Christopher Publishing House, 1140 Columbus Ave., Boston, Mass. 1936. U.S.$1.50.

Although much mysterious hocus-pocus is mixed into the tale, "Do Not Do Unto Others" remains a highly diverting story of a clash between organized criminals and the Chinese "tongs" in a large American city. The criminals do not have a chance, apparently because there are too many Chinese laundry men in Boston.

The title of the book is taken from Confucius' teaching: "Do not do unto others, what you would not have done to you," and the gang of thugs who attempt to kidnap Severin Sevenby, associate of the Boston Chinatown's "Most Illustrious" Tong chief, soon learn the practical side of the proverb.

The kidnappers do not allow their victim to write a certain Chinese character by his signature in the ransom note. He shows them on a Chinese laundry slip which character he wants to write, and the gangsters take it to a Chinese laundry nearby to learn its meaning. So the word goes out among all the laundry men in the city and, well, to make a long story short, the gang is rounded up, tortured in some secret underground room in Chinatown and made to confess.

It is the kind of a story that the American public thrives on, but it seems very unreal and far-fetched to anyone who knows Chinese or has lived in China, as the author has not.

E. H. L.

Bob Davis Records His Wanderings

People, People Everywhere, By R. H. (Bob) Davis. Frederick A. Stokes Company. N.Y., 1936. 333 pp.

Bob Davis' record of his wanderings over the face of the world is another addition to the rich crop of books written by newspapermen turned literary in the past two years. The book does not possess the profundity of V. Sheean's autobiography, nor even the orderliness of M. Vaughn's more or less chaotic reminiscences on the Orient. Each of the 69 chapters in the book is not connected with its neighbor, and the reader is obliged to jump with the writer from Haiti to New Hampshire and from Yucatan to

South Africa. Nor does the book concern itself with people alone, as the title would suggest. There are chapters aplenty dealing with Mayan folklore, South African tales, the life of Napoleon's sister, an oak in Florida and Christophe, the long-dead Emperor of Haiti.

"Each man," according to Davis' slogan, "has a story to tell." Davis' easy manner and charm opened for him the gates to many a man's heart and mouth. But the stories they told him were as often as not of little significance or import, for Davis himself was not a person of deep intellect. A reader who has nothing else to do on a free evening will find Davis' book a source of mild enjoyment. But he will in vain search for thought-provoking ideas or profundity.

M.

National Institute at Nanking Passes on All School-Books Used in China

A pamphlet recently issued by the National Institute for Compilation and Translation at Nanking gives interesting details of the work of said institution. The Administration Building of the Institute stands on 8 mow of land, at Tienshan Road, Nanking.

The principal functions of the Institute are to examine the elementary and secondary school textbooks prepared by publishers in China and to compile supplementary textbooks for the promotion of mass education; to publish standard works, either translated or compiled, by the staff members of the Institute and the works of those who are now staff members of the Institute, but submitted to and approved by the Institute; and to standardize Chinese scientific and technical terms. The library of the Institute has been made valuable by a collection of nearly all the textbooks published in China for elementary and secondary schools. There are, in addition, about 17,000 Chinese books and 1,500 books in German, French, and English; 100 current periodicals and newspapers in Chinese as well as in English are annually subscribed for or secured through exchange.

In order to attain a definite result in public education, the Ministry of Education exercises strict supervision over the preparation of textbooks and reference books for school use. Every textbook submitted by the publisher to the Ministry of Education for examination is reviewed at least by two staff members of the Institute with a view to making them conform to the requirements prescribed by the Ministry for their publication. Since its inception in 1932, this Institute has examined no less than eight hundred textbooks on different subjects.

Captain Evans F. Carlson Writes on Legal Bases for the Use of Foreign Forces in China

A Memorandum on "Legal Bases for the Use of Foreign Armed Forces in China" compiled by Capt. Evans F. Carlson, of the U. S. Marine Corps, has been reprinted in pamphlet form from the *U.S. Naval Institute Proceedings*. Captain Carlson was formerly stationed in Shanghai and also for a time in Peiping.

After describing briefly Britain's early relations with China, Capt. Carlson comments that the action taken by Great Britain was justifiable in international law under the principle of the right of nations to demand protection for their citizens in foreign countries; injured foreigners had sought in vain in China for the quality of justice to which they were accustomed under Western standards of civilization.

The following are extracts from Capt. Carlson's memorandum: "While foreign gunboats ply the Yangtsze by virtue of treaty provision, on at least one occasion a foreign naval officer has reverted to international law to support his action in employing them there. During the month of August, 1903, reports reached Rear Admiral Robley D. Evans, U. S. Navy, commanding the American Asiatic Fleet, that American missionaries and merchants in the Poyang Lake district, particularly in the victinity of Nanchang, were threatened with trouble from local "bad men." He directed the U.S.S. *Villalobos*, a Yangtsze river gunboat, to proceed to that region to look into the matter."

"The Embassy guards at Peiping are stationed there by virtue of Art. VII of the Final Protocol for the settlement of the disorders incident to the Boxer uprising.

"Article IX of the Final Boxer Protocol secures for the treaty powers the right to maintain garrisons at certain points between Peiping and the sea. The right was asserted by the Power during the revolutionary troubles of 1911-12."

"It appears that only three treaties specifically authorize foreign troops to be garrisoned on Chinese territory, and foreign warships to frequent the inland ports of China as well as those along the coast. These are: The British Treaty of Tientsin, 1858; The Austro-Hungarian Treaty of Peking, 1869; and The International Protocol of Peking, 1901."

"Those troops which are stationed in the International Settlement, or the French Concession, at Shanghai are there to afford protection to the interests of their nationals which the powers evidently believe cannot be assured by the Chinese government; this is in pursuance of their rights under international law."

THE
CHINESE YEAR BOOK
Second Issue, 1936-37

Edited by
CHAO-YING SHIH & CHI-HSIEN CHANG

1608 pages. List Price, $28.00
SPECIAL PRICE before March 31, 1937, $20.00
(Postage: domestic, 23 cts.; foreign, $1.75)

China is now undergoing rapid changes in her political, social and economic structure. Whether you are a Chinese or foreigner, whether you are engaged in public service, in business, or in pursuance of other callings, you are directly or indirectly affected by such changes.

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In addition to the vast array of information on almost every subject connected with China, there is a General Appendix including a Directory of High Ranking Officials of Central and Local Governments of the Republic of China, Chinese Diplomatic and Consular Service Abroad and the Foreign Diplomatic and Consular Service in China.

The chapters on "Language," "Northeastern China," "Mongolia," "Sinkiang," "Tibet," "Home Affairs," "Press," "North China Smuggling Situation" and "Opium Suppression" are subjects not treated in the first edition published a year ago. They furnish valuable information hitherto unavailable. For chapter-heads and other information, please write for our sample sheets.

CONFUCIUS SAW NANCY
and Essays about Nothing

By LIN YUTANG. List Price, $3.00

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"Confucius Saw Nancy," the one-act tragic-comedy originally published in Chinese, is now rendered in English by the author himself and published along with his twenty-seven short pieces written during the past year. Lovers of Dr. Lin's literary work can hardly afford missing the perusal of the present volume.

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Persons interested in writing to the firms mentioned in the following inquiries may obtain additional information by applying to the Commercial Office of the American Consulate-General mentioning the number of the particular item.

850 —A firm in London is interested in the purchase, development or negotiation of patents.

851 —A New York firm is anxious to communicate with exporters of cotton waste.

852 —Los Angeles manufacturers of a line of wood tanks, cooling towers, wood pipe and special tanks, desire to market their products here.

853 —A Los Angeles firm wishes to contact exporters of Chinese walnuts, sesame seed and ginger.

854 —A firm in Bangkok, Siam, is desirous of purchasing a stonecrusher, preferably a secondhand one in good condition, minimum capacity 40 cubic metres, maximum capacity 100 cubic metres per day.

855(958)—A firm in Baltimore, Maryland, desires to import Lespedeza seeds.

856(959)—An individual in Madison, Wisconsin, desires to purchase cheap Chinese art works.

857(960)—A firm in New York, N.Y., wishes to secure individual or firm to act as representative selling lubricating oil.

858(961)—A New York company wants to make connection with a leather house to trade in regular lines of leather.

859(962)—An individual in St. Louis, Mo., desires to purchase peanut oil in car lots.

860(963)—A firm in Detroit, Michigan, wants to contact manufacturers of procelain ware, gift articles, novelties, toys, electrical specialties, musical instruments, paper goods, etc.

861(964)—A New York firm wishes representative for carbon base brake lining and wiper blades for automobiles.

862(065)—A Chicago company would like to sell brass items to the hardware trade.

863(966)—A company in New York wishes to secure agents for paper, pencils, fountain pens and office supplies.

864(567)—A Hollywood company desires distributors for a bust developer apparatus.

865(968)—An individual in New York, N.Y., wishes to contact a firm to supply souvenirs.

866(969)—A New York firm wishes to represent Chinese exporters of spices, gums, oils, copra, coffee, drugs, fibres, dates, canned and dried fruits.

867(970)—An individual in Los Angeles, California, desires to form connection with a local concern to act as distributor for corrugated fiber board for use in window displays.

868(971)—A Chicago company would like to place their air transport scales on local market.

869(972)—A New York firm desires to locate shippers of used gunny bagging, used burlap bagging or scraps, and used or new jute string.

870(973)—An individual in New York, N.Y., wishes to sell machinery for lithographing or printing on metal and also geometric lathe for printing of paper money.

871(974)—A concern in New York wishes to sell device for cooling milk to dairy trade.

872(975)—A New York concern desires to obtain agent for ladies' full-fashioned silk hosiery.

873(976)—A Chicago firm desires agent for radio replacement products.

874(977)—A New York radio manufacturer desires to obtain distributor for radios.

875(978)—An individual in California would like to sell peacock feathers.

876(979)—A New York firm desires to get in contact with exporters of feathers.

877(980)—A firm in Saigon, French Indo-China, wishes to contact firms in Shanghai importing buntal fiber.

878(981)—A New York firm wishes to contact shippers of sisal waste and tow, used gunny bagging, used or scrap burlap bagging, scrap jute strings, and new or used reusable bagging.

879(982)—A Los Angeles, California, importer of oriental roofing rags would like to contact reliable bagging.

879(982)—Los Angeles, California, importer of oriental roofing rags would like to contact reliable exporters in China.

880(983)—A company in San Gabriel, California, desires representative for various dried and crystalized California fruits, such as prunes, figs, grapefruit peel, etc.

881(984)—A firm in San Francisco, California, desires to obtain Tantalite (Columbite) ore.

882(985)—A firm in Atlanta, Georgia, desires to contact exporters of fertilizer material, feed stuffs, also packing house by-products, such as blood, tankage, bone meal, soya bean meal, cotton seed meal, castor bean meal, sesame meal, etc.

883(986)—A firm in Calcutta, India, is interested in purchase of Chinese egg yolks.

Miss E. M. Hinder to Supervise Protection of Mu Tsai in Shanghai

The Shanghai *Municipal Gazette* of Feb. 26 contained the announcement that the supervision of Mu Tsai (Chinese indentured girls under conditions which amount to practical salvery) has been entrusted to the Council's Industrial Section. It was stated that Miss E. M. Hinder, who is in charge of the Council's Industrial Section, has under her competent workers who are not only familiar with factory problems, but also have studied such questions as the working conditions of apprentices and the problems of child labor.

British Mu Tsai Body Issues Report

A report of the majority of the commission appointed by J. H. Thomas, then Colonial Secretary, on March 18, 1936, to inquire into "the whole question of Mu Tsai in Hongkong and Malaya, published in London Mar. 1 stated emphatically, "If there is one charge that cannot be sustained against either the Colonial Office or the local Governments of Hongkong and Malaya, it is a charge of indifference or inactivity towards abuses in relation to women and children."

Peiping Students Present Sword to Gen. Chiang Kai-shek

In a brief but impressive ceremony held on February 22 at the auditorium of the Central Military Academy a delegation of more than 100 students from Peiping presented to General Chiang Kai-shek, President of the Executive Yuan, a sword in token of their ardent support of the national leader. The sword which was received by the Generalissimo himself, represented the gift of upwards of 13,000 students of about 70 Peiping schools, including the National Tsinghua University, Yenching University, National Peking University, and National Normal College.

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Ensure Steady Progress.

CUSTOMS NOTIFICATION NO. 1567

Notice is hereby given that the Custom House will be closed, and the shipment and delivery of cargo suspended, on Friday, the 12th March 1937, the Anniversary of the Death of Dr. Sun Yat-sen.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 2nd March 1937.

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March 3, 1937

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Total Volume: 2,290,000 Shares

1936—37 High	1936—37 Low	Div. $ per sh.	STOCK	Last Sale Mar. 1	Last Sale Mar. 2
19	9⅝	0.35	Adams Express	18½	18⅝
137½	106	4.00	American Can	105⅝	107½
40⅜	29¼	0.00	Amer. Cyanamid "B"	32	32⅜
13¼	6½	—	American & For. Power	12	12⅜
68¼	29⅜	—	American & Foreign Pwr. 07. pfd.	63⅝	62½
29½	18⅜	0.60	American Radiator	26½	26½
190⅛	149½	9.00	Americsn Tel. & Tel.	179½	179¾
104	88½	5.00	American Tobacco "B"	95	95
29½	19½	0.80	American Waterworks	25⅛	25¼
65½	28	1.00	Anaconda Copper	63⅝	65⅜
88½	59	2.00	Atchison, T. & S. Fe	77¾	78½
54⅛	26⅝	—	Auburn	32	32¼
28⅜	15⅞	—	Baltimore & Ohio	27¾	29⅜
94⅝	45¾	1.50	Bethlehem Steel	94⅝	97½
46¾	16⅞	—	Boeing Airplane Co.	47⅜	49⅛
17⅝	10⅞	—	Canadian Pacific Railway	16¾	16¾
186	92½	4.00	Case, J. I.	163	165
63⅞	34	1.40	Chase National Bank	61	61
100	59	3.00	Chesapeake Corp.	90	90⅛
77½	51	2.80	Chesapeake & Ohio	66½	66⅝
137⅝	85½	12.00	Chrysler	124½	131
23⅜	14	0.60	Columbia Gas Electric	17	17⅛
24⅝	14¼	0.60	Coml. Sovents	18⅝	18⅝
5½	2¼	—	Commonwealth & Southern, ord.	3⅛	3⅛
49⅞	27¼	2.00	Consolinated Edison	41⅝	41½
17	11½	0.80	Consolidated Oil	16	16
45	28¼	1.00	Continental Oil	41½	41
82½	63⅝	3.00	Corn Products	67⅜	66½
82¼	50⅝	—	Douglas Aircraft	66	68
184⅝	133	7.00	Du Pont de Nemours	172½	175
28	15⅜	—	Electric Bond & Share	24¾	25¼
64½	34½	1.00	General Electric	61½	61⅜
44	33⅝	2.00	General Foods	43¼	43¼
77	53⅜	4.50	General Motors	65⅛	68½
64	32½	1.00	General Railway Signal	61	61⅛
42⅜	13⅝	1.00	Gold Dust	42¼	42¼
42¼	21⅝	0.50	Goodyear Tire & Rubber	40	41
86⅛	57	1.00	Humble Oil	83½	83⅜
72¼	43¼	1.60	International Nickel	70⅜	72
19¼	11⅛	—	International Tel. & Tel.	13¾	14⅛
65	28¼	1.70	Kennecott	62⅜	65
79¾	43	2.00	Loew's Inc.	77½	80
28⅛	21⅛	1.20	Lorillard	26⅛	26¼
103	79	1.70	Monsanto Chemical	92⅜	92
68	35⅜	2.00	Montgomery Ward	63⅜	64⅝
59⅜	32	1.00	National City Bank	58	58⅛
28¼	21	1.20	National Dairy Prods.	24½	24½
33⅜	25⅝	2.00	National Distillers	30⅜	30¼
14⅞	9⅝	0.60	National Power & Lt.	12¼	12⅛
49⅝	27⅜	—	New York Central	45⅝	46
36⅜	23⅞	1.00	North American	30	29⅞
41	30¾	2.00	Pacific Gas & Electric	33	33
58⅜	44⅜	3.00	Pacific Lighting	47½	47¼
13⅜	6⅞	0.45	Packard Motors	11⅜	11⅝
45	28¼	2.00	Pennsylvania Railroad	43¼	43¼
57¼	38⅛	2.50	Phillips Petroleum	53	53⅜
52½	39	2.60	Public Serv. of N. J.	46⅜	46
14¼	9⅜	—	Radio Corporation of Amer.	11½	11½
60½	50	3.00	Reynolds Tobacco "B"	55½	55⅝
55⅞	37¾	3.00	Schnley	49	49¼
101½	59⅝	3.00	Sears Roebuck	89¾	90⅜
19⅜	12½	0.70	Socony-Vacuum	18½	19
32½	25	1.50	Southern California Edison	28½	28⅝
55	23½	—	Southern Pacific	54⅜	57
18⅛	14⅜	0.80	Standard Brands	15½	15½
14¼	5½	—	Standard Gas & Electric	12⅜	13⅛
74⅞	51⅓	1.00	Standard Oil Co. of N. J.	72¼	73
78½	65	3.80	Sterling Products	71⅛	70½
44⅜	33	2.00	Texas Gulf Sulphur	40⅜	40½
18⅛	11	0.40	Transamerica	16¼	16⅜
110½	71⅝	2.80	Union Caride & Carbon	107½	107½
149¾	108½	6.00	Union Pacific	135	135
32⅜	20⅝	0.50	United Aircraft (New)	30½	31¾
24⅛	13	0.20	United Airline Trans.	20½	21¼
9¼	5⅜	0.20	United Corporation	6¾	6⅜
19½	14⅛	1.00	United Gas Improvement	15	14⅞
59	31¼	—	U. S. Indus. Alcohol	39⅛	39½
60¼	16⅜	—	U. S. Rubber	59	59⅞
114⅞	46⅜	—	U. S. Steel	114⅞	119
33½	16¼	—	Vanadium	32	32½
18⅝	9¼	—	Warner Bros. Pictures	15⅛	15¾
166	94½	5.50	Westinghouse Electric	154¾	156

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